

RE-SCAN



Canal &
River Trust

Trustees' Annual Report
and Accounts 2014/15

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COMPANIES HOUSE



Some of the ways we have created living waterways, enriched lives and transformed places during 2014/15

“Working with the Canal & River Trust will give our new graduates an excellent opportunity to inspire, engage and enthuse children about engineering and science using the canal network”

Debbie Duro, Rolls-Royce



We worked with volunteers to reconnect a 450-metre stretch of the Montgomery Canal to the main canal network



We installed four giant 12 tonne lock gates on the Gloucester & Sharpness Canal to help protect the city from flooding

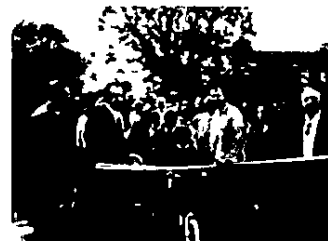


We celebrated the 200th anniversary of Foxton Locks

With donations from our Friends, we helped Hanover Primary school create a community garden alongside the Regent's Canal in Islington



Thanks to funding from Transport for London we were able to transform one of the muddiest stretches of towpath in the city



9/9/15 600



Hindu Youth Group
MK joined us to
help clear up the
canal in Milton
Keynes as part of
Sewa Day



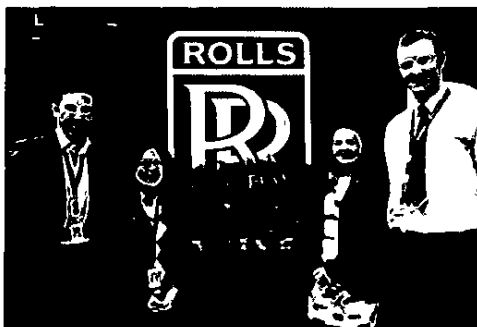
Teenagers from
Hounslow Youth
Offending Service
helped us transform
a historic warehouse
wall in Brentford Basin



We discovered
a colony of 150
endangered
white-clawed
crayfish on the
Leeds & Liverpool
Canal in North
Yorkshire



We launched a
national campaign
to encourage people
to feed ducks a
healthier diet



We started work on
a new partnership
with Rolls Royce
to inspire a new
generation of
engineers



Volunteers helped us **plant a new
community orchard** alongside
the Monmouthshire & Brecon Canal

“The canal is a beautiful and tranquil
part of the borough that's well worth
exploring. It's fantastic that it's been
made more accessible.”

Juhan Bell, Leader of Ealing Council

Contents

Welcome from Tony Hales, chairman	2
Introduction from Richard Parry, chief executive	3
Trustees' Report (incorporating Companies Act 2006 Strategic Report requirements)	
Strategic Report	
Overview of 2014/15	4
Financial summary	6
Spring	8
Summer	14
Autumn	20
Winter	26
Our work in Wales	32
Our plans for the future	34
Finance review	36
Governance	48
Auditor's report	60
Financial Statements for the year ended 31st March 2015	61
Glossary of financial, waterway and fund terminology	96
Trustees, Council, Waterways Partnership and Advisory Group Members	98
Gifts and donations	102

Welcome from Tony Hales, chairman

The last three years have given me immense satisfaction, seeing the Canal & River Trust grow, thrive and attract ever increasing numbers of volunteers, supporters and partners. When we started this journey in July 2012, whilst we hoped for encouragement, we could not have envisaged the tremendous support and goodwill that we have received

Today our canals are better used, enjoyed, and valued than ever before. This is a truly remarkable achievement. An estimated nearly 20 million people visited our waterways during last year, our volunteers gave nearly 60,000 days to help us with our work, we secured nearly £12m from lotteries, grant making trusts, local authorities and bodies such as the Arts Councils to help us transform our waterways and museums into vibrant places full of life and energy, we now have more than 11,000 Friends, people who generously support us with their monthly donations, our youth programmes are helping young people connect with their local canal and develop new skills that will help them as they move into work or continue in education, we have eleven strong regional partnerships helping us to drive change forward and put our canals at the centre of local decision-making, innovative arts programmes are enriching our network taking cultural programmes into diverse communities unserved by traditional routes, more than 43,000 children took part in one of our Explorer events last year alone. I could go on.

There are always challenges. The weather, for one, sometimes our friend and occasionally our foe, heavily impacts on our resources as we strive to keep our waterways, towpaths and infrastructure in the best possible condition. We also need to continue to be imaginative in how we raise funds, to be prudent in how we spend our finite resources and to continue to manage our land and properties carefully. The strong commercial performance in the year not only allowed increases during the year in charitable expenditure, not least to waterway maintenance but also strengthened our balance sheet to create a more secure future for our waterways so they can continue to be used and enjoyed by future generations.

Our new strategy has people at its heart and I am delighted that so many new people are getting involved with our work either as volunteers or partners. They bring with them new perspectives and experiences which benefit us all.



And I am so grateful to the Trust's staff who, under the leadership of Richard Parry, have embraced both challenge and change. It is thanks to their energy that we have been able to achieve all that we have in such a short space of time. John Bridgeman retired during the year as a Trustee, and Philip Ridal and Simon Salem are retiring as directors, my thanks to them for a tremendous contribution over many years.

I shall also retire from the Board after our annual public meeting in September. Over the years, I have worked with some very talented and committed people both within the Trust and amongst our many stakeholders. We could never have achieved the transformation from government corporation to public Trust without such a truly remarkable team effort.

“Our new strategy has people at its heart and I am delighted that so many new people are getting involved with our work either as volunteers or partners”

Personally, I have enjoyed meeting so many people around the country and seeing how our once forgotten and neglected waterways have morphed into community hubs, bringing people together, improving lives, and providing new opportunities for all ages to experience their beauty and indeed their lifestyle benefits whether in town or country.

A really big thanks to everyone – staff, volunteers, supporters, partners – without you it just couldn't have been done.

Tony Hales CBE

30 June 2015

Introduction from Richard Parry, chief executive

When the Trust was first conceived, those involved must have hoped for something like the year we have enjoyed – a strong financial foundation; growing interest in visiting, caring for, and using our canals and rivers; and an ever-widening range of relationships with third parties willing to promote, fund and support us.

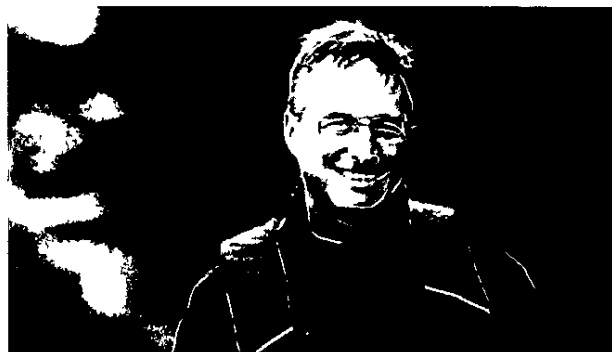
I joined the Trust in 2013 inspired by the opportunity to secure the waterways' long-term future and to make them central to public life, re-connecting them to people and places – as sources of tranquillity, well-being, leisure and prosperity. Whilst we know there is much more we can do, the progress we have made shows what is possible, and sets out a clear path ahead.

Last year we announced an ambitious new vision for the Trust – living waterways that transform places and enrich lives – that speaks to the wider outcomes we can shape, and a 10-year strategy for realising this vision. Our Grant Agreement with Defra gives us firm funding until 2027, providing the platform from which we can look far into the future and plan confidently for the waterways, free from the sort of short-term intervention our predecessors suffered.

As a first step towards realising our strategy, we introduced a new organisational structure putting customer service and community involvement at the heart of our work. It re-focusses our local teams on the delivery of good day-to-day service, with close, active relationships with boaters and the many other people who use our waterways. It puts volunteering at the heart of our work, attracting more volunteers into more roles, and strengthens the work of our Waterways Partnerships in forging vital local links, identifying new opportunities to make the canals relevant and valued by communities. Alongside this, the creation of national asset management, delivery and technical teams gives us the ability to deliver more work, more efficiently.

Our success depends upon our people, I am proud of what they have done this year, and the encouraging way they have embraced the changes. I was especially pleased to see the near universal recognition of our new vision and values, and widespread understanding of how they apply. Our growing numbers of volunteers inspire us with their passion and dedication as they remind us how privileged we are to be the custodians of such a treasured asset.

Our financial strength underpins everything we plan to do and I applaud the performance of our Property and Commercial teams in generating around £15m more income than planned, and the success of our Enterprise team in securing additional third-party contributions during the year.



With such healthy financial performance, we could both spend £3m more than we planned to on our waterways during 2014/15 (including £1m on local boating and customer priority works) and generate a surplus that will be carried forward to fund more work in the future.

Whilst it is still early in the development of our charitable fundraising, our success with charitable foundations (such as Esmée Fairbairn and the Wolfson Trust), and our first major individual donation (from the Desmond Foundation for the Coast to Coast canoe trail) is hugely encouraging, alongside the growth in our individual giving programme.

This year has also seen us grow in influence. The Government announcement in September that, following our campaign with the IWA, HS2 would be adopting our proposed re-alignment of the route at Fradley Junction to reduce its impact on the canal, was clear evidence of the impact we can have on a national scale when the waterway community works together.

We will shortly be saying farewell to our Chair, Tony Hales. Tony has been a passionate advocate and supporter of our waterways and has done an outstanding job in leading the transition from British Waterways to the Trust, and in these critical first few years. His commitment and enthusiasm will be greatly missed and we are very grateful for everything he has done.

As this report shows, we have achieved much in the past year. We know there is much more to do, and many challenges ahead. Our ambitious new vision, and the 10-year strategy that underpins it, sets out the future trajectory for the Trust, to secure the sustainable future that all those who care for our inland waterways long to see.


Richard Parry

30 June 2015

Trustees' Report & Accounts
Strategic Report of the Trust (pages 4 to 59)

Overview of 2014/15

We care for an extraordinary collection of waterways, holding them in trust for the nation in perpetuity. This includes 2,000 miles of canals, rivers, docks and reservoirs; the third largest collection of listed buildings and structures in the UK; 63 Sites of Special Scientific Interest; over 1,000 wildlife conservation sites; and canals and structures within five UNESCO world heritage sites, together with our museums and archives. Caring for such a historic and fragile infrastructure requires considerable maintenance, care and attention to ensure future generations are able to appreciate and enjoy them.

Raising our funds

We raise income through a variety of sources, from our Friends, statutory bodies, lotteries, boating customers and by developing our land and property to improve our canals for the benefit of both the local community and for investment purposes

Our boating customers, both individuals and businesses, make a significant contribution to the care of our waterways through boat licensing and various agreements for rights over, or the use of, our waterways. In 2014/15, this amounted to £33.8m (2014 £32.4m) which includes income from the provision of 3,585 (2104 3,637) directly managed moorings and income from business boating customers including trade licences, connection and network access agreements

We also generate significant revenue from our utilities business, which in 2014/15 contributed £26.1m (2014 £24.7m) to looking after the canals and rivers in our care. We secure payments from companies and individuals who use our surplus water, who drain into our waterways or who use land that we own as a conduit for pipes and cables. We are also exploring new ways in which our waterways can contribute to the delivery of sustainable energy solutions, including hydro power, wind and heating and cooling of buildings and expect this activity to grow over the coming years

We own a significant endowment of investment assets valued at £616.3m (2014 £507.1m) which is managed to generate income and capital returns to the Trust. Currently, the bulk of the endowment portfolio is invested in property, reflecting the legacy powers of our predecessor body. The income is used for looking after the waterways, and any capital returns are retained and invested to generate future long term income. In 2014/15, we generated £46.4m (2014 £41.9m) of income from the endowment investment portfolio and earned a total return (income and capital) of 21.9% (2014 15.3%), comfortably ahead of the market benchmark

Our commercial activities are overseen by the Investment Committee, a sub-committee of the Board of Trustees, which comprises four Trustees and two external voluntary experts with property and corporate finance backgrounds. During the year we implemented our proposals to diversify part of the portfolio away from property investments into other investment sectors. The funds invested during the year, totalling £80m, were placed using an outsourced investment office arrangement under a services agreement with Partners Capital. The valuation of the non-property fund as at March 2015 stood at £86.7m

British Waterways Marinas Limited (BWML) is a wholly owned subsidiary which owns and manages a portfolio of 19 marinas of which three are coastal. BWML was created in 2004 and is run according to a fair trade protocol, the main principle of which is that BWML should operate at arm's length from the Trust and not be party to privileged Trust information that is not available to marina operators generally. BWML income grew by 7.5% during the year to £7.1m and it has continued to improve its level of marina berth occupancy. BWML continues to invest in improving its customer service and the standards in its marinas to ensure that competitive facilities are offered

“ overgrowth was cleared from over 97 miles of canal bank, 24% more than in 2013/14 ”

Caring for our canals & rivers

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

Our staff and contractors worked hard throughout the year to ensure that our waterways are in good condition, safe to use and deliver a range of environmental, social and economic benefits. All of this activity is supported by our detailed Asset Management Plan and its rigorous inspection regime. We are pleased to report that the proportion of principal assets in the worst condition grades D and E has reduced from 14.7 per cent to 14.1 per cent, in spite of the damage wreaked by the floods and in addition to the 3,420 planned defect repairs we also completed a further 11,167 unplanned defect repairs, 14,587 (2014: 14,864) in total.

This year we spent over £130m on our charitable activities, notably the repair and maintenance of our waterways and the thousands of structures and facilities that make up the network, including reservoirs, aqueducts, locks, bridges, towpaths, culverts and embankments. We spent £18m (2014: £18.4m) on the larger waterway infrastructure projects.

During the year we spent £10.8m (2014: £9.7m) clearing and maintaining towpaths, removing invasive species and graffiti. Overgrowth was cleared from over 97 miles of canal bank, 24% more than in 2013/14, to help improve conditions for boaters and walkers, and we undertook dredging on 50 miles of waterway, removing 130,000 tonnes of silt.

“our ‘Canal Adoption’ programme almost doubled to 104 Adoptions”

Growing support

Our volunteers generously gave over 410,000 (2014: 359,000) hours of their time (equivalent to 58,774 days) during 2014/15. The value of their work to the Trust equates to over £6.5m. And our ‘Canal Adoption’ programme almost doubled to 104 Adoptions.

We secured funding from a number of new sources including £249,000 from the Esmée Fairbairn Foundation and £100,000 from players of the People’s Postcode Lottery for a transformative environmental and community engagement programme in Birmingham, Huddersfield and Rochdale. We also had a number of successes with our bids to the Heritage Lottery Fund.

- Securing development funding of over £262,000 as part of our £2m bid to restore Finsley Gate Wharf, one of the oldest wharves on the Leeds & Liverpool Canal.

- A stage 1 pass for our £1.4m plans to restore Carpenter’s Road Lock in the heart of the Queen Elizabeth II Olympic Park.

“Our volunteers generously gave over 410,000 hours of their time”

- £830,000 in partnership with Grantham Canal Society for a five-year project to bring locks 14 and 15 back into working use and train volunteers in conservation skills.

We also raised over £200,000 through film projects including *Mission Impossible 5*, the latest *James Bond*, the *Alice in Wonderland* sequel, *Peaky Blinders*, *Wolf Hall*, *Barging Around Britain* and *Great Canal Journeys*, to name just a few.

We increased our number of followers on Twitter by 40% and on Facebook by 165%, and lively interesting content on our website attracts an average of 176,299 visits to the site per month.

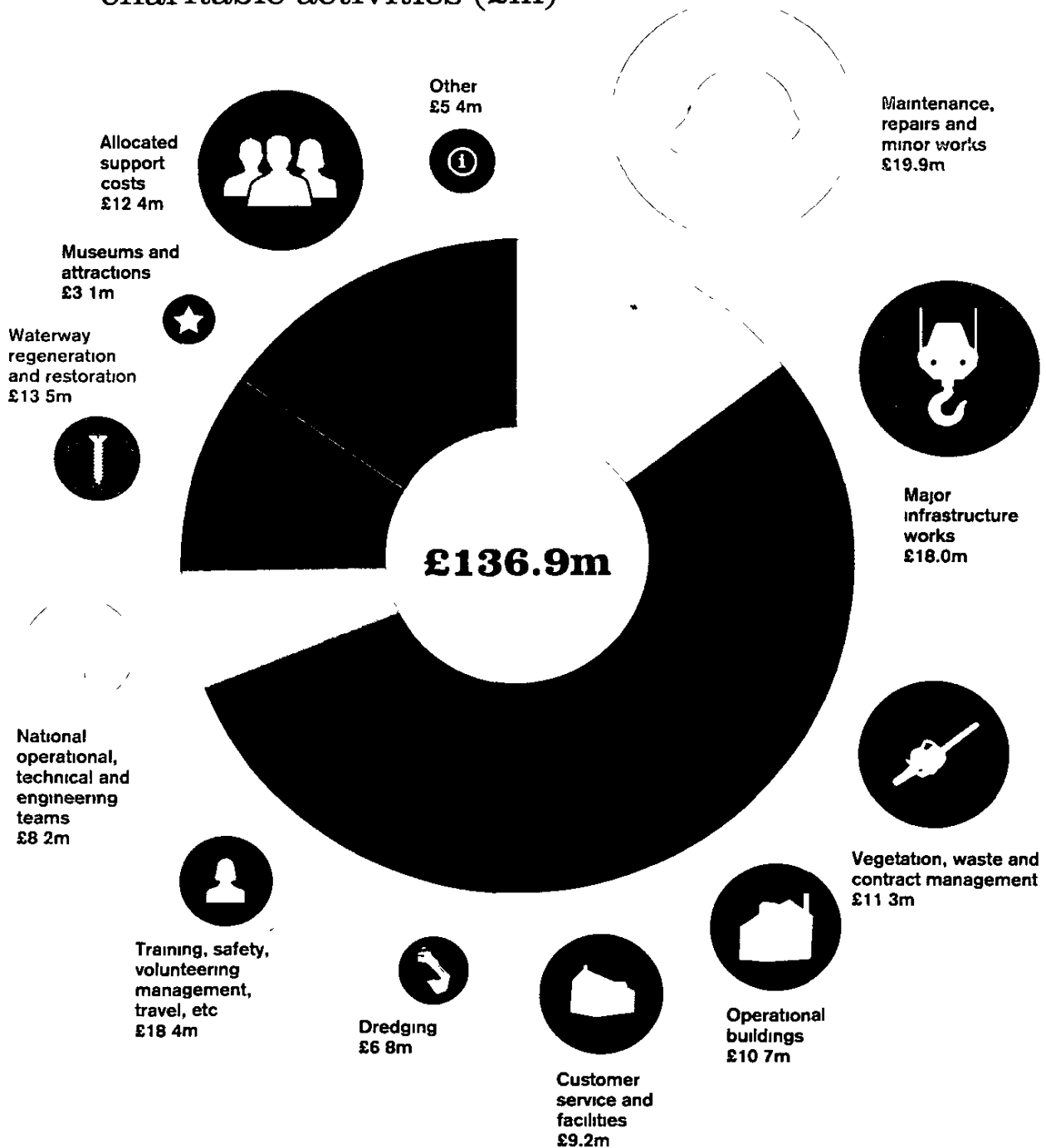
Our museums are home to the nationally important inland waterways collection and archives. Together, they offer a valuable insight into the history of our waterways. During 2014/15 there were nearly 230,000 visits to our museums and attractions.

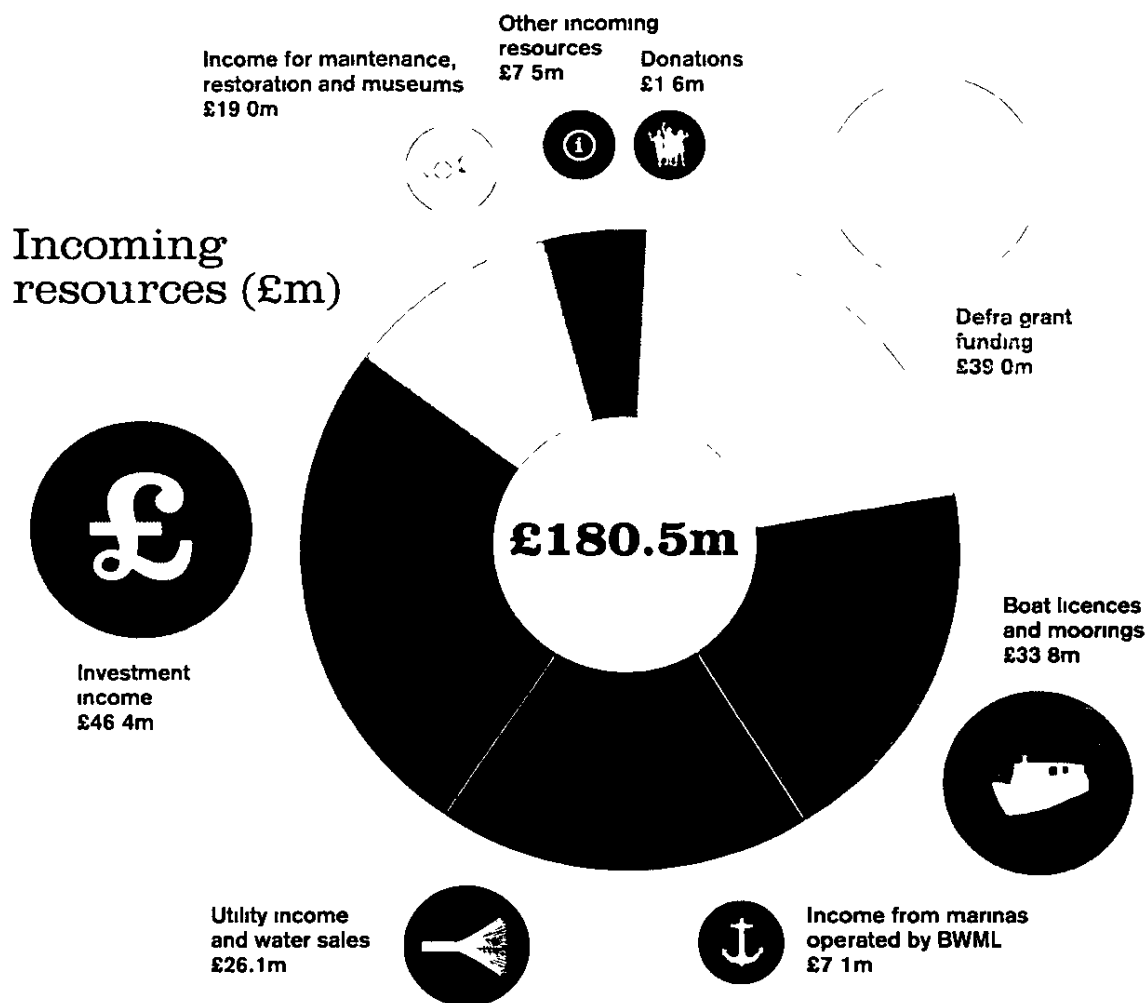
We also completed a number of important re-development projects during the year including major building work at the Canal Museum, Stoke Bruerne, opening a new exhibition at the National Waterways Museum focused on history of the site’s port town, Ellesmere Port and the sympathetic refurbishment of the museum’s Porter’s Row. We also completed the first phase of a major project work to improve access to the nationally important waterways archives. 37,000 records and over 22,000 historic images are now available digitally for the first time.

“we spent over £130m on our charitable activities, notably the repair and maintenance of our waterways”

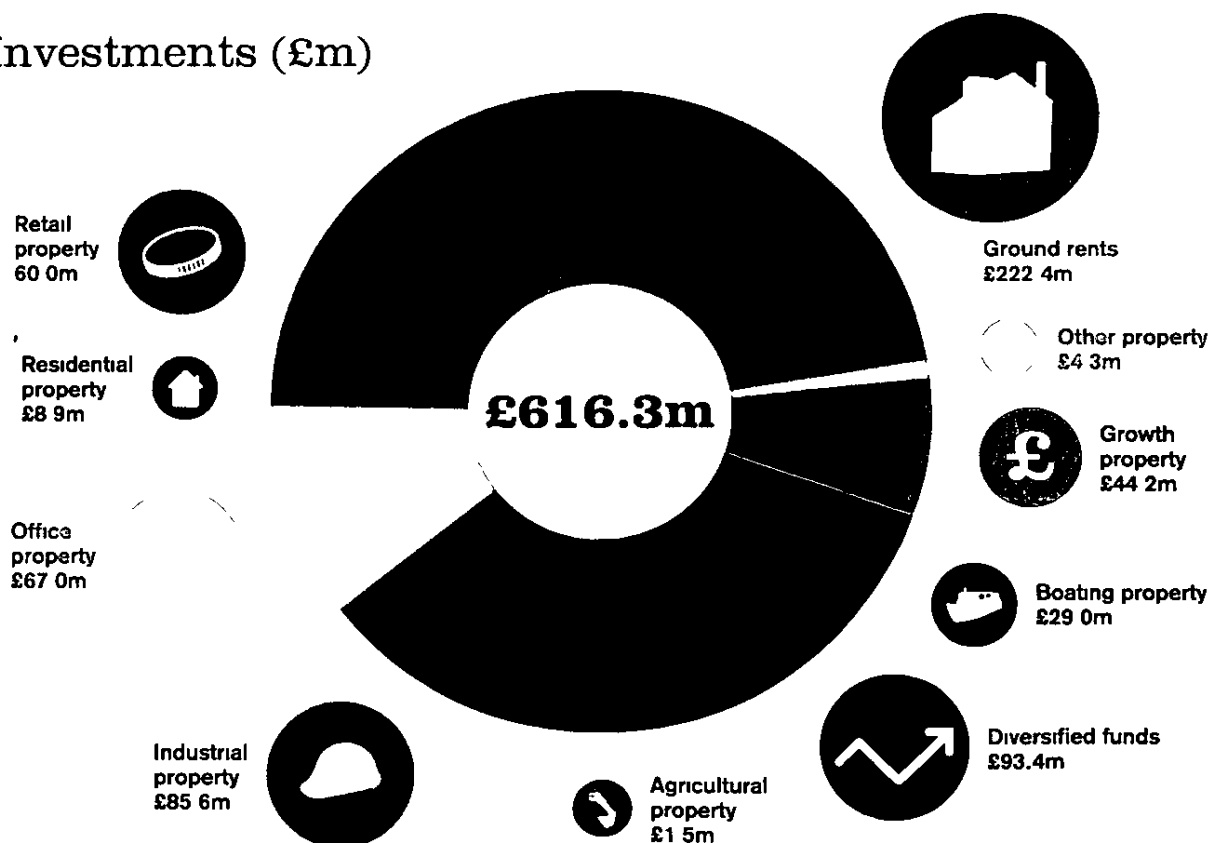
Financial summary

Resources expended on charitable activities (£m)





Investments (£m)







Spring

You can keep your cuckoos.
We hear Spring's first song

in the sound of the angle grinders,
brazen as a mating call

Jo Bell, Canal Laureate

Trustees' Report & Accounts

Spring

Caring for 2,000 miles of canals, rivers, docks and reservoirs and providing a great experience for the millions of people visiting these waterways is quite a challenge. Which is why we are so glad to be supported by the hundreds of volunteers who turned out during the Spring, rain or shine, to help get our towpaths and canals ready for the millions of people who flock to our waterways in the warmer months, the difference they make to our work and visitor experience is priceless.

Our fragile waterways are subjected to the ravages of the weather and need constant care and attention. In April we were able to reopen the Monmouthshire & Brecon Canal at Llanfoist following a £1m repair job, which included driving 500 15-metre long 'pins' into the bedrock beneath the waterway, in time for the Easter break and the start of the main boating season.

In May experts from across the country attended our annual restoration conference. As well as sharing best practice, delegates looked at the challenges encountered during restoration projects and how these could be overcome. Guest speakers also explored the social, environmental and economic benefits that canal restoration projects can bring to an area.

Spring is when the waterways come alive with an array of wildlife. We believe this waterway wildlife needs to be protected and cared for. As well as adding to the biodiversity of our canals and rivers, these creatures provide opportunities for people, many of whom live in urban areas, to have direct experience of our natural world. We are always looking for new ways to help people discover more about creatures that make their homes in and alongside our canals and the work that we do to look after them. Highlights include:

- In April we were delighted to welcome flagship children's television programme, *Blue Peter* to our fish rescue on the Dudley Canal when we moved thousands of fish to safety in advance of canal repairs.
- We worked with primary school pupils from Rugby to create a pond for the new wildlife-themed children's area at Crick Boat Show in May. The pond provided a wonderful opportunity for hundreds of children visiting the show to discover more about the canal environment.
- Our volunteers completed a 600-mile long survey of our ancient hedgerows to identify their physical condition, how and where they could be improved and what habitats, food sources and safe travel routes they provide for wildlife.

- The players of People's Postcode Lottery supported our project to repair and re-plant a 220 metre stretch of the Leeds & Liverpool Canal. This work will help unite colonies of water voles and thereby increase their long-term chances of survival.

- In May we launched our annual Great Nature Watch survey. The focus of the survey was damselflies and dragonflies. Our ecologists were concerned that the weather over the winter, which was the wettest on record, might have had a lasting impact on these creatures as fluctuating river levels and fast flowing currents wash away their larvae.

Following a search for the owner of a First World War medal found at the bottom of a drained canal, in June, we helped unite a family for the very first time. The Victory Medal was found near Rotherham where we were replacing lock gates. Through research, social media and articles in the local media, we tried to identify the original owner and found two branches of the same family who had never previously met.

In May, we hosted three debates at the internationally renowned Hay Festival. Led by experts from literature, the press, heritage and volunteering, the discussions explored different aspects of our waterways – from their role in literature to the value of their heritage and how to engage new volunteers.

“We are always looking for new ways to help people discover more about creatures that make their homes in and alongside our canals and the work that we do to look after them.”

Damselflies and dragonflies were the focus of our annual Great Nature Watch survey



“ the difference they make to our work and visitor experience is priceless ”



Our volunteers help take care of our waterways

First World War medal discovered in Rotherham canal



School children help create wildlife pond at Crick Boat Show



Blue Peter with Canal & River Trust staff



Volunteers surveyed 600 miles of hedgerow

Case study:

Marks & Spencer: Rachel Barton, M&S

In April, we were joined by more than 850 staff from Marks & Spencer who helped clear 8,800kg of rubbish from 56 miles of towpath and canal. This was the second time staff from one of the UK's most popular retail chains had partnered with the Canal & River Trust as part of their annual 'Big Beach Clean Up'

"At Marks & Spencer we take the matter of being a responsible retailer seriously. In 2012 we introduced Plan A 2020 and we are now working towards 100 commitments with the ultimate goal of becoming the world's most sustainable major retailer.

"The Big Beach Clean-Up is part of our Forever Fish programme. This annual beach and waterway clean-up is a great way for us to support and connect with the community and the natural environment around our stores. Clean waterways and beaches mean clean seas. These events are a simple, fun way for our employees and customers to volunteer and make a difference.

"As well as offering Marks & Spencer the opportunity to work in urban and rural locations across England and Wales, the Canal & River Trust gives us the right type of experience we were looking for. We want our employees to have a great time as well as doing some good for the planet!

"Everyone enjoys taking part in the annual clean-up campaign and we've found it really makes people think about the issues of litter."

"The Big Beach Clean-Up is a great way for us to support and connect with the community and the natural environment around our stores."

Rachel Barton, M&S



Volunteers from Marks & Spencer at work

Volunteering facts

- 104 community groups, youth clubs, canal societies, parish councils and businesses adopted and cared for a stretch of canal in 2014/15
- 720 men and women applied to join the Trust as volunteer lock keepers this year
- We have increased the number of 'Lead Volunteers' – trained volunteers in recognised positions of responsibility in the Trust – to over 70
- Staff from businesses such as Barclays, Yorkshire Water, United Utilities, Mace Group and Salesforce generously donated their time and funding towards a range of volunteering projects across the country during 2014/15
- We held our first Volunteer Awards in partnership with the Marsh Christian Trust. Volunteers Emile Khan, Dylan Manning, John Hawkins and David Payne were all recognised for their hard work and enthusiasm

Case study:

The story of our fish – John Ellis, national fisheries & angling manager

A thriving population of fish provides many benefits – they enhance the natural environment, provide a food source for other species and encourage people to visit our waterways. Angling is also one of the UK's most popular activities.

"One of our biggest projects this year was relocating thousands of fish, including a 3ft long carp weighing 25lbs, from Regent's Canal before our maintenance teams got to work. During 2014/15 there were also two major pollution incidences caused by businesses alongside the Trent & Mersey Canal and the Grand Union Canal. Our emergency teams reacted quickly and whilst large numbers were lost we were able to rescue and protect many thousands more.

"Essential work such as dredging also has the potential to affect the safety of our fish. To find out more about this impact we worked closely with our fisheries management contractor to develop a new survey technique to assess the effect of dredging on eel populations.

"Planned fish rescues, as opposed to emergency events, provide a fantastic opportunity for children, and adults, to discover more about our canals and their amazing wildlife. In 2014 we introduced Fish Education Days where school groups join our experts at a fish rescue. These days have been very popular with local schools. 127 children took part in our pilot programme and we will be expanding this initiative over the coming year.

"As well as being a major environmental asset, canals and rivers are a national angling resource. The sport is also a super way to get people involved with and caring for our canals. Together with the Angling Trust, in 2014 we launched the Canal Angling Championships and included a junior section to attract younger people. We are also working with angling clubs, partners and stakeholders to develop Fisheries & Angling Actions Plans for each waterway and identify the top priorities for this area for the next decade."

Fish facts

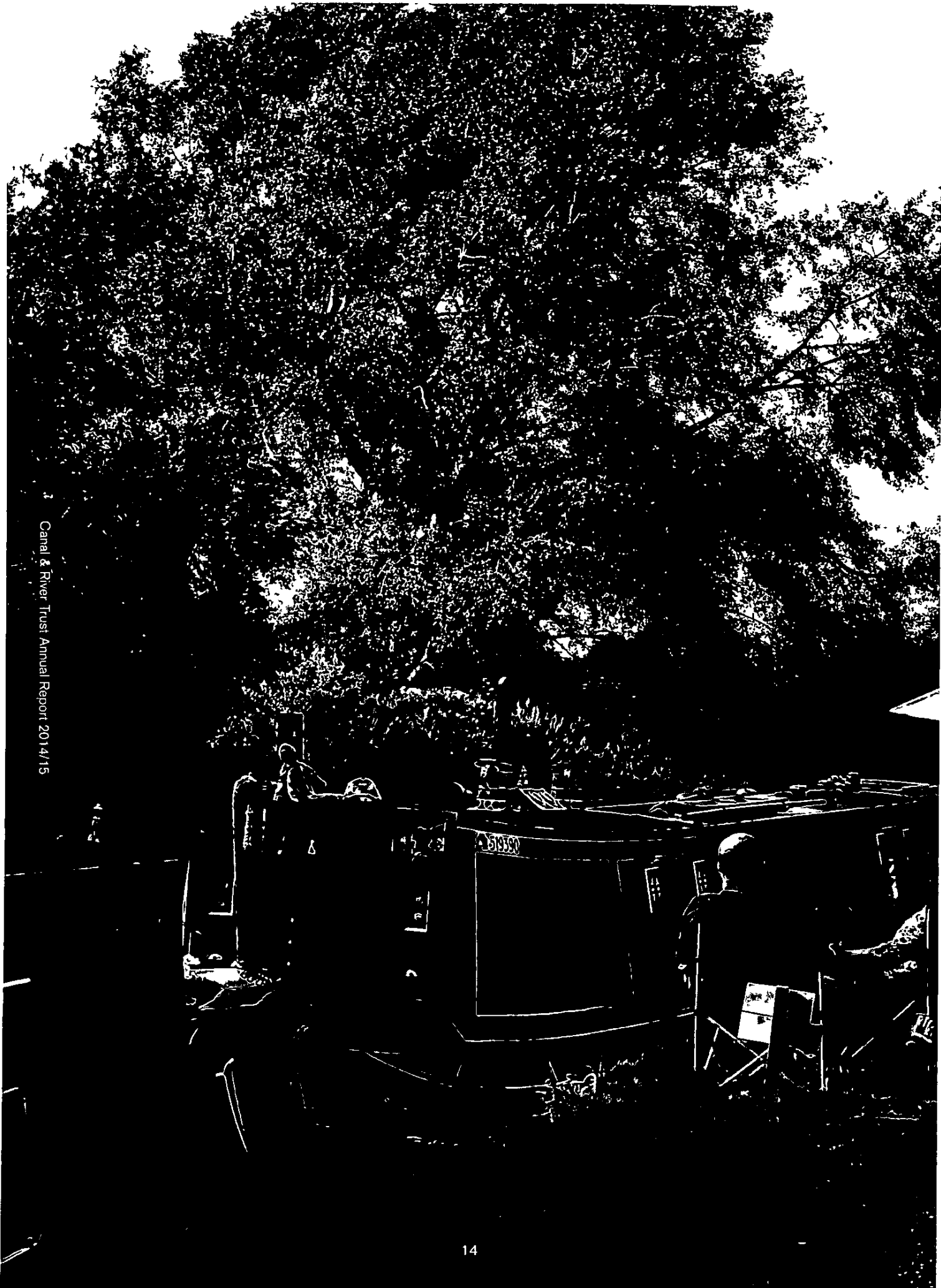
- To replace all the fish in our canals and rivers would cost £40 million
- There are over 40 species of fish in our waterways, nine of which are protected by law
- The Trust is the largest owner of fishing rights in England & Wales
- Over 1,000 children and adults tried their hand at fishing through our Angling Taster events
- The world's oldest angling club, Salford Friendly Angling Society, became our newest club customer in March 2015

"Together with the Angling Trust, in 2014 we launched the Canal Angling Championships and included a junior section to attract younger people."

John Ellis,
national fisheries & angling manager



School children enjoying a Fish Education Day





Summer

the little girl in the red-flowered dress
seeing her first duckling
the duckling in its tabby feathers
seeing its first little girl

Jo Bell, Canal Laureate

Trustees' Report & Accounts

Summer

Longer days and warmer weather encourage more people to discover our waterways. In June, we were thrilled to welcome our patron, His Royal Highness the Prince of Wales to Stoke on Trent. The Prince met trainees taking part in our youth social action project on the Caldon Canal and during a boat trip from Etruria to Middleport, His Royal Highness discovered more about the history of the Trent & Mersey Canal and regeneration plans for the waterway.

We believe passionately in the value that restored waterways can bring to communities both economically and socially. In July we launched a campaign to encourage more people to get behind their local canal restoration. The campaign, backed by Sir Tony Robinson, TV presenter and historian, coincided with the release of a report from the University of Nottingham which highlighted how restored canals bring prosperity to communities, boost property prices and help people lead a more active and healthy lifestyle.

Our canals also offer a valuable way to take art and literature direct to communities who aren't normally able to access the amazing opportunities that these programmes offer. Our art on the waterways programme is continuing to attract new audiences to our canals and inspire existing visitors. Highlights include:

- The inaugural Floating Cinema tour from June – August. The project brought over 40 high quality film, arts, music and educational experiences to London's waterways.
- In July pioneering folk group, the Dead Rat Orchestra, held a floating tour which musically charted the Thames and Kennet & Avon Canal between London, Oxford and Bristol.
- As part of Milton Keynes International Festival, BAFTA award-winning sound artist and composer, Kaffe Matthews, created an exhibition of the sounds and stories collected from a solo recording walk along the Grand Union Canal.
- Clay Cargo, a three-year arts programme inspired by ceramics and canal pioneer, Josiah Wedgwood also got underway this year.

Following the success of our Winter 'open days', in July we launched a summer programme. Keeping our waterways open and working is a year round effort, and this new programme enabled visitors to see what is involved in some of our larger engineering and construction projects. The first summer open day was held in London at the 1929 pumping station that's used to regulate water levels between the West India and Millwall Docks. Visitors were able to see the skilled craftsmanship involved with the restoration project and talk to our experts about the repairs and how the impounding station helps our waterways today.

It is vital that we ensure the reliability of our precious water resources. In September, as part of our future planning we launched our first public consultation on how we should plan and manage our water resources looking as far ahead as 2050, and considering future pressures such as new legislation, climate change and increased use of the waterways. The responses received from customers, stakeholders and businesses are helping to shape our Water Resources Strategy, which will set out the detailed plan of work for the next five years.

Our first Living Waterways Awards programme celebrated the work being done across the UK to transform waterways into vibrant places and enrich people's lives. 26 projects from across England and Wales were recognised through the awards and we were pleased to have had the opportunity to publically commemorate the work done by Sonia Rolt by awarding her the first Outstanding Achievement Award.

Two new trustees joined our Board in September. Allan Leighton and Ben Gordon both have extensive business and commercial experience, and along with the rest of the Board, have already brought their wider experience to help shape our future strategy and key objectives for the next ten years.

In September, the All Party Parliamentary Group for the Waterways published its second report into the progress of the Trust since its creation in 2012. The report noted how we have extended our range of funding streams, increased the number of volunteers involved with our work and how we are tackling historic mooring problems.

56

Our first Living Waterways Awards programme celebrated the work being done across the UK to transform waterways into vibrant places and enrich people's lives.



Clay Cargo



HRH the Prince of Wales meets Tony Hales in Etruna, Stoke on Trent

The award-winning Floating Cinema

"... report from the University of Nottingham highlighted how restoration can bring prosperity to communities, boost property prices and help people lead more active lives."



Families visiting one of our summer open days



Sonia Rolt



S. Tony Robinson

Trustees' Report & Accounts

Case study: Great British Bike Off – Ed Helps, managing director, ABC Leisure

Since we held our first challenge event in August 2012, over £80,000 has been raised for the Trust by our charity cyclists. The 2014 ride saw our team cycle from London to Leeds, taking in some of the stages included in the Tour de France.

Ed Helps, a member of the South Wales & Severn Waterways Partnership, has taken part in every charity ride since the Trust was launched in 2012

"I love our waterways, I've been using them for most of my life, they've opened up some amazing opportunities for me. As a teenager I learned to canoe on the canals around London which led to me competing in races all over the country. Later, I got involved in restoring the Droitwich Canal, which is close to where I live, and I've spent many years walking and boating on the canals with my family. I now run a canal boat hire business, so I suppose one way or another, waterways have always been part of my life.

"I really believe we need to look after our canals and rivers, they can make such a difference to your life and I want future generations to have the opportunities that I did, so I volunteered to take part in the Canal & River Trust's first charity bike ride and help raise money to do just this.

"I've now taken part in three Great British Bike Offs, which, including the training, have seen me travel around 3,000 miles on two wheels. I have seen some new areas of the country, including the tops of some hills I would ordinarily avoid! And I've also met some great people.

"As well as raising funds to support a cause very close to my heart, the events give me a focus. They make me stop work, get out on my bike and keep fit. I have also enjoyed the challenge and experience of each trip, which is why I keep coming back!"



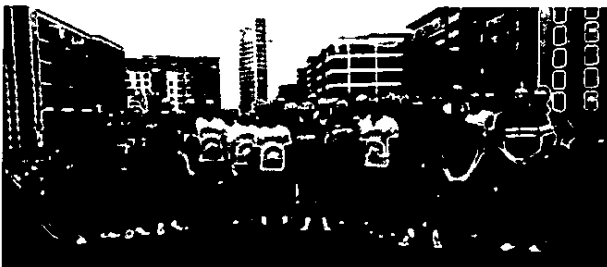
Ed Helps

"As well as raising funds to support a cause very close to my heart, the events give me a focus. They make me stop work, get out on my bike and keep fit."

Ed Helps, MD ABC Leisure

Fundraising facts

- During 2014/15 our regular givers donated nearly £440,000 to help care for our waterways
- Major donors contributed over £272,000 towards special projects to help create living waterways and enrich lives
- We secured just under £218,000 from trusts, grant-making bodies and charitable societies
- We raised over £460,000 from corporate partners (including gifts in kind)
- Statutory bodies including local authorities, Department for Transport, Arts Council England and the Heritage Lottery Fund contributed £11,764,000 to help us transform our places



Great British Bike Off - 2014

Case study:

Learning to care for our heritage

Hayley Garrod, heritage trainee

We have the third largest collection of listed structures in the UK. It is imperative that these fragile buildings, locks and bridges are expertly cared for, however there is a dwindling pool of skilled waterway heritage craftspeople to do this

In partnership with the Heritage Craft Alliance, we created a bespoke heritage skills training programme, funded by the Heritage Lottery Fund and The Radcliffe Trust. Over the course of the three-and-a-half year long programme, 42 trainees will work alongside our staff learning the skills needed to care for our 200-year old structures. On-the-job training is supplemented with time at the Heritage Craft Alliance's training centre in Bedale. As well as substantial practical experience, trainees will finish the course with an NVQ Level 2 qualification.

Hayley joined the Trust as a heritage skills trainee in September. Having previously trained in horticulture, Hayley was looking for a change of career.

"I live on a boat. Canals and their buildings and structures fascinate me. I love working outdoors, this training course sounded a great way to broaden my horizons, develop new skills and build on my love of old buildings."

"I work as part of the team here, I'm not treated any differently. I've learned so much about heritage and conservation since starting the programme, it's given me lots of opportunities to work on different projects and buildings. I'm learning more than I thought I would. At college we've been learning timber work, masonry and stone carving. We're also learning how to deal with the public and lots of other life skills."

"I'm so fortunate to be based on the Lancaster Canal, there are lots of scheduled monuments and listed buildings. The work is so rewarding, I feel really privileged to be able to work on these structures. I love it, even when I'm standing knee-deep in silt in a canal in November repointing brickwork!"

Heritage facts

- We achieved more than 98% compliance on 177 jobs affecting designated heritage assets
- In partnership with Historic England and Department for Communities and Local Government we are developing a National Listed Building Consent Order
- Over 100 previously unrecorded heritage assets along the Monmouthshire & Brecon Canal were identified by a team of heritage volunteers undertaking an Architectural Heritage Survey
- Our heritage volunteers gave more than 1,700 hours of their time to help us with our work

"I'm so fortunate to be based on the Lancaster Canal, there are lots of scheduled monuments and listed buildings. The work is so rewarding, I feel really privileged to be able to work on these structures."

Hayley Garrod, heritage trainee



Hayley Garrod (left) and another trainee (right)



Trustees' Report & Accounts

Autumn

After months of planning, we introduced a new organisational structure in November. The changes aim to improve the way we work and to bring us closer to the many communities that live on and along our waterways. As part of the new structure we appointed our first head of customer service, and our waterway managers, working together with our waterways partnerships, are now able to focus more on building links with boaters, local people, businesses and decision-makers.

Championing and protecting our waterway heritage is a key area of our work. Following a joint campaign with the Inland Waterways Association, in October the Secretary of State for Transport announced that the Government would be adopting our proposals for the realignment of the proposed route for HS2. The new route will avoid precious heritage sites at Fradley, near Lichfield and ensure the restoration of the Lichfield Canal can continue.

Volunteers are helping to preserve some of our more unusual canalside buildings. On the Kennet & Avon Canal, a team of dedicated volunteers have carefully restored an abandoned nineteenth century hovel which was originally used by canal workers. And on the Bridgwater & Taunton Canal volunteers have transformed a former World War II pillbox into a wildlife haven.

We want to ensure a sustainable future for our waterways and, guided by our Green Plan, we constantly review how we work to ensure we are being as environmentally sustainable as possible. In October we were awarded the Carbon Trust Standard in recognition of our achievements in reducing our carbon footprint. We reached this goal a year ahead of our planned target and the Trust was 'Best in Sector' in eight out of 13 categories. Between 2012 and 2014 we cut emissions by 13.5 per cent, this is equivalent to an annual reduction of around 3,000 tonnes of carbon dioxide.

In October we celebrated the completion of a £4.5m project to restore Sutton Weaver Swing Bridge in Cheshire. Jointly funded by Cheshire West and Chester Council, the Department of Transport and the Trust, the 88-year old swing bridge, which carries around 20,000 vehicles a day, has been repaired, refurbished and repainted, extending its life by over 50 years.

As part of our annual restoration and repair programme, we 'pulled the plug' on the Regent's Canal, draining 75 million gallons of water from the waterway in advance of major work. This event marked the start of our £45million winter restoration programme. From November to March over 9,000 people visited one of our 16 open days – our special events where visitors can see work underway and talk to our skilled staff about how we keep our waterways in working order 200 years after they were built.

Redevelopment of redundant land alongside our canals offers valuable opportunities to attract new life and businesses to these locations. In November we unveiled exciting plans for a £20m development at on the Grand Union Canal at Wharfedale Park, Birmingham. The plans will see the creation of high specification build-to-suit warehouse and manufacturing units. With our partner, Fiddle & Bone Ltd, we put the finishing touches to the regeneration of the derelict Fiddle & Bone pub near Brindleyplace, Birmingham. The transformed site includes new boating facilities as well as a restaurant and bar. Our joint ventures continue to deliver new developments next to our waterways, including at Brentford, Lancaster and Marsworth where land is being transformed into attractive places to live.

In 2012 we introduced a new apprenticeship programme in partnership with Leeds College of Building. The aim of the programme was to train young people in the skills we need to keep our waterways in excellent condition. In October 20 apprentices successfully completed their intermediate apprenticeships and qualified as either bricklayers or joiners. 65% of the group have now moved into full time positions within the Trust.

“In October we were awarded the Carbon Trust Standard in recognition of our achievements in reducing our carbon footprint.”

Re-opening of
the restored
Sutton Weaver
Swing Bridge



Restored hovel on Kennet & Avon Canal



“ Over 9,000 people
visited one of our
16 open days ”

The regenerated Fiddle
& Bone, Birmingham



Fradley Junction



Draining the Regent's Canal



Apprentice, Beau Folds,
at work

Case study:

Canals on prescription – Dr Moreton's story

With hundreds of miles of waterways passing through towns, villages and cities, our canals and rivers are ideally located to help local communities to improve their health and wellbeing. Towpaths provide opportunities for gentle walks, cycling or running and it is well documented that being by water has a positive impact on emotional and mental health.

A donation from Buckinghamshire GP, Dr Moreton, meant we could resurface the footpath around Weston Turville Reservoir. Following completion of the work in November, Dr Moreton's former practice started 'prescribing' the walking route to help patients lower their blood pressure, fight depression and combat lung conditions.

"Everyone knows that regular exercise is key to living a happy and healthy life but there is also evidence that shows that being by a 'blue space' can improve our general sense of wellbeing and reduce stress.

"I wanted to encourage people living in Wendover, Weston Turville and Halton to walk more in order to benefit their health which is why I made the donation to the Canal & River Trust. The new walk is accessible to more people, it is on the flat so helps people with heart and lung conditions and the beauty and proximity to water and nature will help everyone's sense of wellbeing, particularly those with mental health problems. And the best part is it's free.

"Regular exercise is particularly important for older people who may have problems with mobility or arthritis. The fact that the walk is in a beautiful place close to water will be appreciated by everyone but also means that it may be of specific help for patients coping with anxiety or depression."



Dr Philippa Moreton on the resurfaced path at Weston Turville Reservoir

"The fact that the walk is in a beautiful place close to water will be appreciated by everyone but also means that it may be of specific help for patients coping with anxiety or depression."

Dr Moreton, Buckinghamshire GP

Health & wellbeing facts

- With support from our partners, nearly 32 miles of towpath across England & Wales were upgraded, 35% more than the previous year, creating better access and making it easier for people to walk, run or cycle alongside our canals.
- We set up a new project in East Lancashire to help disadvantaged groups discover the therapeutic benefits of our waterways.
- We launched a two-year partnership with Sport England to pilot an exciting sports participation programme on our canals in the South East. Our aim is to help 3,000 people become more active and healthier.



Towpaths are ideal places to cycle, walk or run

Case study:

Looking after boaters

– Sean Williams, boater welfare officer

Canals were built for boats, transporting goods from place to place and providing homes for the people who worked on our waterways. Today they still do the same; in fact more boats are using our waterways now than did so at the height of the industrial revolution. Holidays, day-trips or even as permanent homes, our canals provide a unique lifestyle to a myriad of communities and we are working hard to make sure everyone using our waterways has a great experience.

Sometimes our customers can experience significant financial or health issues. In November we appointed our first boater welfare officer, Sean Williams, to help respond to boaters who find themselves in such difficulties.

"We've seen a significant increase in the number of live-aboard boaters on our canals so it's not unusual for our enforcement teams to encounter people who are struggling either financially or with health issues. I'm here to support those affected by these kinds of problems, to signpost them to places where they can get help. I've built up a network of connections with charities, Citizens Advice and local authorities and I'm putting together guidelines so that local teams can direct people to the relevant support agency.

"If a boater is in trouble we will work with various teams within the Trust to see if we can find a solution. If there is say a medical need then we can look at options such as an 'approved over stay' for their mooring. This means that rather than having to move on, as their licence requires, they can stay where they are temporarily whilst they continue with medical treatment."

"Living on a boat is a major lifestyle choice and people are really passionate about this way of life. It's a great feeling when I'm able to help someone carry on and continue to live independently on our canals."

Sean Williams, boater welfare officer

Boating facts

- There are over 32,700 powered boats (up nearly 1% on 2013/14) on our waterways, more than during the industrial revolution. These, together with the many rowing boats, skiffs, canoes, kayaks, paddle boards and coracles create a colourful spectacle of vehicles being used on our waterways.
- There are nearly 2,300 'business boats' on our waterways offering a range of goods and services, from holiday hire to selling cheese & coal. In 2014/15, business licences generated over £2m to help us care for our waterways.
- Almost 1,000 people have attended our 'open boater meetings' with our chief executive, Richard Parry.
- New initiatives such as regular industry meetings and more frequent email newsletters are helping us to keep up-to-date with issues important to boaters.
- There were over 3.8 million 'lockages' last year (passages through locks). Average lock use increased 2% during 2014.



Sean Williams boater welfare officer



Canal & River Trust Annual Report 2014/15



Winter

The ice is thick as bottle bottoms.

In the little villages of hedge and ditch
the birds are hungry as a needle's eye.

Jo Bell, Canal Laureate

Trustees' Report & Accounts

Winter

With fewer boats travelling along our waterways, we use the quieter winter period to repair and restore our canals and rivers. Key projects completed this year include the installation of a permanent weir at Dogshead Stake on the River Kennet near Newbury, repairing the reservoir at Denton in the East Midlands and repairing Chirk and Whitecastle tunnels on the Llangollen Canal.

Specialist contractors helped clean up Pontcysyllte Aqueduct. At 126ft high and 1,000ft long the Grade I listed aqueduct is Britain's longest and highest. The specialist teams abseiled down the structure to clear unwanted vegetation including ivy, moss, weeds and even some young saplings, helping to preserve it for generations to come.

We are working with local authorities, transport bodies and the Mayor of London to encourage more people to make use of their local towpath. As part of the Greater Manchester Cycle City programme in March we started work on upgrading 8km of towpath to an all-weather path from Piccadilly Basin in Manchester city centre to Portland Basin in Ashton-under-Lyne. The City Cycle programme aims to increase and improve cycling infrastructure in the area. Our work will also include widening the towpath where necessary and improving access points to the canal for pedestrians and cyclists.

Increasing numbers of people are using our towpaths to commute to work or school, to get fit or to simply enjoy the environment. So many different activities can lead to conflicts. In February we launched our 'Better towpaths for everyone' policy. Outlining our commitment to encouraging more people to use these car-free routes, the document details our plans to introduce better signage at key locations and to roll out successful trial initiatives to address behaviour on towpaths.

It is vitally important that we ensure our waterways survive for future generations to enjoy. We are therefore developing inspiring and accessible projects to encourage younger people to visit, use and love our canals and rivers.

• In December 2013 we made a 'Step up to Serve' pledge to inspire over 2,000 young people to take positive action to transform places and enrich lives over the next two years. By the end of March 2015, 15 months after making the pledge, we had engaged over 4,000 young people in a range of social action projects and over 70 young volunteers now support various teams across the Trust. Key partnerships include our Inspired Talent project in Staffordshire, a partnership with SLYNCS and UpRising in Blackburn, the Stratford 2 Stratford performing arts programme, a digital consultation project and a survey with the British Youth Council to find out about young people's attitudes to social action, the waterways and the Trust.

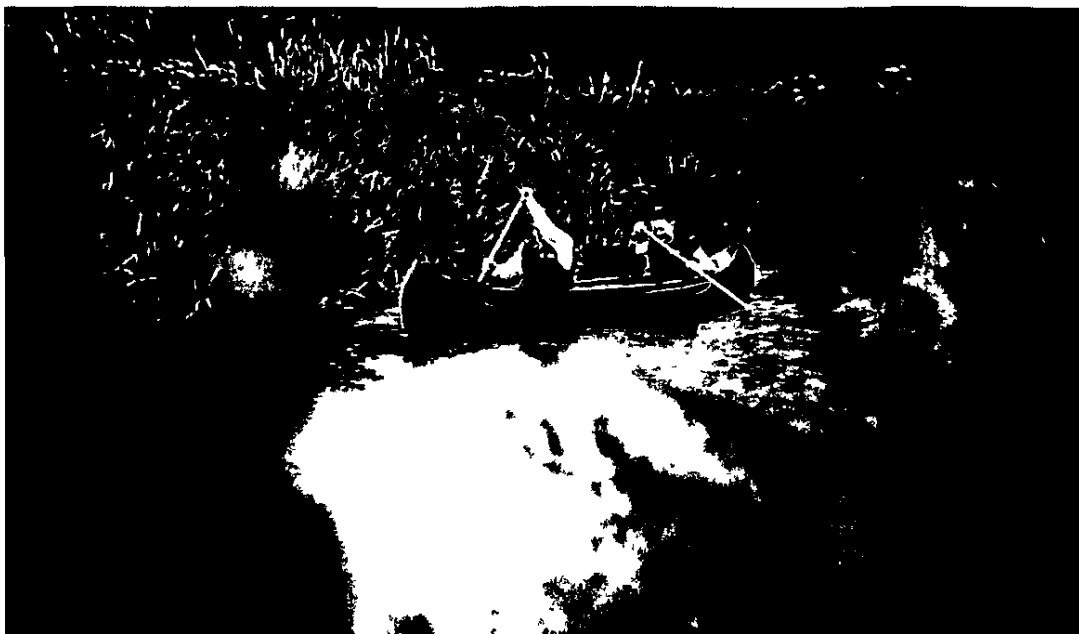
• Young people taking part in our social action project in Staffordshire helped plant trees, repair drystone walls, create new pathways and remove invasive species. Of the 26 participants who spent six months volunteering on the programme and were previously not in education, employment or training, 85% have either secured a job or moved onto further training such as an apprenticeship.

• In February we launched a ground-breaking canoe project along the Leeds & Liverpool Canal to help tackle childhood obesity and engage more young people with our waterways. With £1.3m from the Desmond Foundation, over the next five years we will work with 10,000 young people from some of England's most deprived communities to transform 150 miles of canal to create England's first Coast-to-Coast canoe trail.

Working with the National Trust, in March we launched our first joint consultation project to look at the possibility of redeveloping the Grade II* listed Roundhouse in Birmingham into an urban outdoors hub. Our heritage advisers have also been joined by a small army of volunteers to help research the historic 140-year old building's history.

“ we had engaged over 4,000 young people in a range of social action projects and over 70 young volunteers now support various teams across the Trust ”

We are
creating a
coast-
to-coast
canoe trail



Greater Manchester
City Cycling programme



“ we launched a ground-
breaking canoe project along
the Leeds & Liverpool Canal to
help tackle childhood obesity
and engage more young
people with our waterways ”



Specialists at work on
Pontcysyllte Aqueduct



Social action in Staffordshire



We launched our 'Better
towpaths for everyone' policy

Case study: Canal & River Explorers – the Sefton team

Our Explorers education programme provides high quality learning support for teachers and youth leaders and has reached unprecedented numbers of children this year. One of our newest teams of Explorer volunteers is based in Sefton, where a group of five volunteers work with schools and groups around the Leeds & Liverpool Canal.

Faith Hazelwood is the lead volunteer, along with booking visits, she co-ordinates the team

"We try to make what we talk about as local as possible to the school so they are actually discovering how the coming of the canal changed the way of life in their particular area. The children enjoy and discover facts in a fun and hands on way. This enhances their learning experience."

"I enjoy being with the children and I love the history of the waterways. I also enjoy hands on interpretation, from cooking on a Victorian stove to themed-events. I cannot imagine it stopping being fun."

Les Dundon has been volunteering as part of the Sefton Explorer team for just under a year

"I started off helping look after our local canals. I've always thought we needed to help people living nearby understand how important our green spaces and waterways are as somewhere to visit and get closer to nature, I therefore jumped at the chance of volunteering with the Explorers team."

"We visit schools to run water safety, environmental and history sessions – bug hunts, pond dipping, build a canal and so on. We also run these sessions on the towpath for school groups visiting a canal. As well as this we attend local shows such as the Mersey River Festival to raise awareness of the Trust and to engage children with our canals in an interactive and fun way."

"These sessions are great ways to help children discover these wonderful green spaces and see how they can be used for health and enjoyment."

"Everything we do is interesting and fun but the best part is seeing how the children get so involved in what they're doing. Our work really enriches the curriculum. Children enjoy the chance to get away from their desks, they get a real buzz from our activities."

Explorer facts

- We have 158 trained Explorer volunteers helping children across England & Wales discover our canals and rivers
- Nearly 43,600 children took part in face-to-face Explorer sessions during 2014/15
- Our Explorer volunteers gave over 11,500 hours (or 1,644 days) to the Trust during 2014/15
- We created an on-line version of 'Build a Canal' to help teachers and children who don't live close to a waterway to discover this fascinating history
- 21 locations awarded the prestigious 'Learning Outside the Classroom' Quality Badge for providing fantastic educational visits for schools

"Everything we do is interesting and fun but the best part is seeing how the children get so involved in what they're doing. Our work really enriches the curriculum. Children enjoy the chance to get away from their desks, they get a real buzz from our activities."

Les Dundon, Sefton Explorers team



Sefton Explorers team

Case study:

Creating a Super Slow Way

– Laurie Peake, project director

One of our ambitious arts programmes, *Super Slow Way*, aims to create a lasting legacy of arts and culture in Pennine Lancashire. In January, Laurie Peake joined the project as director. Former director of Liverpool Biennial, Laurie has led major arts projects in the UK and America.

"Time is a major theme of *Super Slow Way*. Taking its cue from the Slow Movement, *Super Slow Way* asks how can we use our time more creatively. It brings art and artists to this space where time slows down, to look afresh at how people live their fast-paced lives and how they relate to their environment, neighbourhoods and to each other.

"This Arts Council funded project aims to celebrate, unite and excite the communities along the Leeds & Liverpool Canal. At its heart will be community-led commissions, which will see people living in the area commissioning artists to work with them to create new ideas and opportunities, and artist residencies, where communities and organisations along the canal will be able to host artists in their own neighbourhoods.

"*Super Slow Way* will spark a creative revolution on the banks of the Leeds & Liverpool Canal, one that inspires new types of productivity and offers opportunities to spend our time more imaginatively, supporting existing cultural activity and encouraging new forms. My aim is to harness the arts to look back at what shaped this area, to ask new questions about where we are now and imagine and propose new directions for where we are heading."



Art on the Waterways in Wales



Laurie Peake

"My aim is to harness the arts to look back at what shaped this area, to ask new questions about where we are now and imagine and propose new directions for where we are heading."

Laurie Peake, project director

Waterway arts facts

- Our waterways arts programme has attracted £3m to the Trust in 2 ½ years
- An independent survey revealed new visitors attracted to our waterways by our waterway arts programme come from a broader demographic to the normal visitor profile
- 98% of respondents to the survey strongly agreed that they thought it was a good idea for arts events to take place on our waterways
- 75% of survey respondents agreed that they would be more likely to visit places like this if there was contemporary art on show

Trustees' Report & Accounts

Our work in Wales


The past twelve months has seen us strengthen our relationships with key partners in Wales and launch our ten year strategy "Beyond the Towpath." Welsh Government recognised the ability of waterways to deliver public policy outcomes, with a Memorandum of Understanding sponsored by the Minister for Economy Science and Transport and backed by a cross-departmental Task and Finish Group. We are the only Third Sector organisation to have secured this codified relationship with Welsh Government, which is already bringing benefits to our waterways in Wales.

In June we secured £50,000 of funding from Welsh Government to ensure the Monmouthshire & Brecon Canal reopened for the season following the devastating winter storms

In May we launched a new artist in residence programme in partnership with the Arts Council of Wales. As well as celebrating our waterways and the communities alongside, these residencies seek to highlight the heritage and historical significance of canals in Wales and their contribution to Welsh culture

We were joined by the First Minister Carwyn Jones at the Royal Welsh Show in July to celebrate our second birthday, and Deputy Minister Ken Skates helped mark the launch of for our Heritage Lottery Fund Heritage Skills for the Future project

2,300 children took part in an array of hands-on activities with our Canal & River Explorer volunteers at the Royal Welsh Show, learning about the creatures that live in our canal and the best food for ducks



"We are the only Third Sector organisation to have secured this codified relationship with Welsh Government"

Julie James AM, Deputy Minister for Skills and Technology joined our Annual Meeting in October. The event was hosted in the Senedd and attracted representatives from a range of charitable and not-for-profit organisations across Wales.

To ensure our waterways are used, valued and enjoyed for decades to come, we need to encourage more people to visit and care for their local canal. Support from local communities is continuing to grow, and we are delighted to now have three 'canal adoptions' and teams of dedicated volunteers working on our canals in Wales.

Climate change is having a marked effect on our water resources. It is vital that we make sure these precious resources are properly planned and managed. Together with Dwr Cymru / Welsh Water, the Wye & Usk Foundation, Natural Resources Wales and Severn Trent we formed the the Usk & Wye Abstraction Group. By working together we have developed an innovative and truly sustainable outcome which will deliver better results for the rivers' environment while protecting the environmental, social and economic benefits of both the Monmouthshire & Brecon Canal and public water supply.

This year we also completed a number of developments at Pontcysyllte Aqueduct and canal World Heritage Site to enable more people to discover and access the site.

- We adapted a 200-year old 'roving bridge' at the site to make it accessible for cyclists, wheelchair users and pushchairs.
- With funding from Northern Marches Rural Development Programme (Wales) we have been able to refurbish the listed dry-dock at Trevor Basin. Debris has been removed from the dock and it has been repointed, has new fencing, paintwork and paving. New signage and interpretation further enhances the site and visitor experience.
- We published the first guidebook for the site. Produced jointly with the Royal Commission on the Ancient and Historical Monuments of Wales and with support of Cadw and Visit Wales, the book details the history of the World Heritage Site and features detailed walking routes and maps.

“This year we also completed a number of developments at Pontcysyllte Aqueduct and canal World Heritage Site to enable more people to discover and access the site.”



Our plans for the future

We believe waterways can be transformational – for people and communities. Over the past year we have developed an ambitious and wide-ranging strategy for the future. We want our canals to be vibrant places, full of life and the centre of the community; we want more people to discover, use and get involved with their local canal or river. Our ten-year strategy sets out what we want to achieve in six key areas over the next ten years.

Waterways

- To encourage and grow the number of people boating, using and enjoying the waterways
- To manage our assets – everything from bridges to aqueducts to culverts and locks – in the best possible way
- To look after the heritage and wildlife on our canals and rivers for people to enjoy – now and in the future
- Towpaths that are safe and available for everyone to use for all the activities that people enjoy doing
- To be a champion for restoration and grow the number of waterways we care for



Places

- Our waterside locations and our museums and attractions to be popular visitor destinations
- To provide havens for people to escape to – away from the pressures of modern life
- Enhance wildlife habitats and the natural landscape
- Our waterways to be promoted as 'green' low carbon options
- New developments around the waterways that are in keeping with them and their wider environment.



Prosperity

- Our waterways to drive and be a catalyst for regeneration and developments that make a difference to the local area
- Our waterways and the surrounding areas to be alive with a broad range of businesses and enterprises
- To contribute to local economies and to provide opportunities and livelihoods for local people
- Waterways and our museums to provide learning and activities for all, especially for children and young people
- To encourage community events, festivals and celebrations on our waterways



People

- Our members to lead a meaningful, engaged and successful life, on their own or with us

- To be a role model for everyone to follow

People who are engaged, motivated, committed, enthusiastic, energetic and enthusiastic local groups and individuals to help, motivated

Our members to lead a meaningful life, on their own or with us, motivated



Influence

- To be a well-known and respected charity, locally and nationally
- To develop strong strategic partnerships and be recognised as a valued partner that gets things done
- People to be our advocates and talk positively about us, and the work we do
- To influence national and local funding and policy decisions to support waterways
- To promote the wider impact waterways can and are having across England and Wales



Resources

- The Trust to be a great place to work and volunteer, to attract, retain and grow capable and passionate employees and volunteers
- To grow the number and range of funding partners and donors who work with us
- Grow our investment income and long term capital value to earn the money needed to look after our canals
- To continually look for better ways of working and use new technology so we are as effective and efficient as possible
- Look after our water and other vital natural resources to support the sustainable use of the waterways in the long term

Finance Review

	Years ended 31st March		
	2015	2014	change
Summary of Group Financial performance	£m	£m	%
Total incoming resources	180.5	162.2	11.0%
Net resources available for charitable activities	146.2	131.2	11.4%
Total resources expended on charitable activities	(138.3)	(125.3)	10.4%
Net incoming resources	7.9	5.9	
Share of income from joint ventures	4.3	0.6	
Realised gains on disposal of investments	38.5	14.2	
Unrealised gains on revaluation of investments	39.4	28.4	
Actuarial losses on the pension fund	(25.8)	(13.2)	
Taxation charge	(0.1)	(0.1)	
Net movement in funds	64.2	35.8	
Total funds	660.0	595.8	10.8%

The Trust achieved an excellent financial performance for the year. Net resources available for charitable activities were up on the previous year by 11% mainly due to increased income from the property investments and development agreements in the London Docklands.

Expenditure on charitable activities increased by £13m due mainly to an increase of £5m on third party funded waterway regeneration and restoration and £7m on waterway infrastructure maintenance and repair.

Joint venture income has benefited from completion of residential property development schemes in various locations in England that have benefited from the buoyant property market conditions.

Disposals of property investments, with proceeds totalling £99.7m, have been completed during the year at substantial surpluses over the book values. These have given rise to realised gains of £38.5m. The retained investment portfolio has been revalued at a surplus of £39.4m over the previous year's open market valuation.

The deficit on the Waterways Pension Fund has increased by £25.8m due to changes in the actuarial assumptions used for the accounting valuation under the accounting standard FRS 17.

Creation and purpose of the Trust

The Canal & River Trust is a company limited by guarantee that was formed on 12 October 2011 and became registered as a charity on 4 April 2012

The assets and undertaking of British Waterways ("BW") in England and Wales were transferred to the Trust on 2 July 2012 by a Statutory Transfer Scheme under the Public Bodies Act 2012 (the "Transfer"). The assets and liabilities transferred from BW have been categorised between the Protected Endowment Fund, as determined by the Defra Grant Agreement, and the General Fund of the Waterways Infrastructure Trust ("WIT"). This Review provides further explanation of the terms of the Protected Endowment and the funding relationship with Defra.

The WIT includes all the waterway assets and structures that comprise the waterways, towpaths and associated structures. These are held by the Trust as trustee in a perpetual trust the objects of which are to hold, operate and manage the waterway infrastructure property for public benefit and to use the income from the property to fund the cost of the trust objects. These waterway assets are categorised in the accounts as Heritage Assets, as defined under Financial Reporting Standard 30 *Heritage Assets*, and are excluded from the balance sheet on the basis that reliable cost or value information for the assets cannot be obtained. 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 income arising from the waterway land, and also from the Protected Endowment. Accordingly the economic value of the waterways is estimated to be substantially negative.

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 as well as to maintain a strong and 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. 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.

“we have the third largest collection of listed structures in the UK...”

Grant Agreement with Defra

The future sustainable operations of the Trust rely in part on the long term funding agreement with Defra. The Grant Agreement was a condition of the Statutory Transfer of the assets and undertaking from BW and enabled the Trust Board members to form a positive conclusion about the ability of the Trust to fund its operations at a satisfactory level for the foreseeable future.

The Grant funding provided to the Trust in the period from 1 April 2014 to 31 March 2015 was in total £39m. The Grant Agreement provides that the investment assets and liabilities transferred to the Trust will be held in a Protected Endowment to provide a long term income stream to contribute to the cost of maintaining and operating the waterway infrastructure property. The Grant Agreement is for 15 years from 2 July 2012 and provides for a tranche of conditional income based on pre-determined performance criteria. It also specifies the terms of the Protected Endowment, which is explained below.

One of the obligations of the Grant Agreement is to publish annually the defined Publication Data. In addition, part of the grant funds receivable from Defra (the conditional tranche of the Grant) is subject to compliance with the Relevant Standards which are explained in the table on page 47. The £39m grant received during the year included a £3m conditional payment following confirmation that the Relevant Standards had been met for the year ended 31 March 2014.

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, 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 of value in the portfolio.

Total return from the investment property portfolio for the year ended 31 March 2015 was 21.9% (2014: 15.3%). This compares favourably with the IPD UK all commercial property index where total return was 17.1% for the same period. Approximately 7.4% of the CRT total return arose from income (net rents) and the balance from capital value growth +6.6% and gains on disposal +7.9%.

During the year CRT implemented its proposals to diversify part of the portfolio away from property investments into other investment sectors. The funds invested during the year, totalling £80m, were placed using an outsourced investment office arrangement under a services agreement with Partners Capital. The valuation of the non-property fund as at March 2015 stood at £86.7m. The return earned by the fund was equivalent to 13% on an annualised basis. The Trust has adopted a total returns policy for the non-property investment fund whereby 5% 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 RPI+1% on the average capital balance invested has been achieved. After application of £2.3m of the unapplied total return fund in the year the balance on the non-property investment fund at 31 March 2015 was £84.4m.

“
£121m
earned from our
commercial activities”

Fundraising and the Donor Promise

The Trust has initiated a fundraising programme aimed at generating income for the Trust's charitable purpose. This is at an early stage but a very encouraging start has been made on individual giving and corporate sponsorship. Currently the total cost of the Trust's fundraising programme exceeds the amounts raised and this situation may continue until the income from the fundraising programme grows further. To mitigate the effect of these costs the Trust pledges that for voluntary income "we will use your donation to conserve, restore and enhance our canals and rivers or to educate people about them". This has the effect that the donated funds are placed in a Restricted Fund and applied in full to the intended purpose of the donation.

The funds raised during the year are shown in note 16 to the accounts. Of the total funds raised for the year £1.9m has been credited to the restricted income fund and £1.8m has been applied to projects during the year.

Reserve Funds

Overall total Funds have increased by £64.2m for the year as shown in the table below.

	2015	2014	Movement
Summary of Group Fund Balances as at 31 March	£m	£m	£m
General Fund – undesignated	24.9	17.1	7.8
General Fund designated as Pension Accumulation Fund	6.8	4.1	2.7
Protected Endowment Restricted Fund			
Subsidiary companies	21.2	2.2	19.0
Asset downries	49.9	50.5	(0.6)
Investment assets	555.8	520.6	35.2
Voluntary Income Restricted Fund	1.4	1.3	0.1
	660.0	595.8	64.2

The net assets acquired from BW by Statutory Transfer as at 2 July 2012 that are within the Protected Endowment have been allocated to a restricted fund. Other assets and liabilities that are not within the Protected Endowment have been credited to the General Fund. The property assets within the Waterways Infrastructure Trust are valued at nil on the balance sheet as explained in the accounting policies. The Voluntary Income Restricted Fund comprises the unspent balance on these funds.

The restricted fund for subsidiary companies within the Protected Endowment relates to the post acquisition reserves of those subsidiary companies that were transferred to the Trust as at 2 July 2012.

The Designated Fund comprises funds that have been transferred from the General Fund for the purpose of accumulating an investment fund to make good any deficit on the Waterways Pension Fund in 2031 when the Pension Funding Partnership structure, described below, is due to be terminated.

Analysis of Boat Licence and Moorings income

As at 31 March 2015 there were 32,773 (2014 32,440) boats with a licence issued to use the Trust's waterways (excluding boat licences for one month or less). This represents a small increase of 0.9% compared with the equivalent figure as at 31 March 2014. Boating and mooring statistics for the years ended 31 March

Boat licences.	2015 £m	2014 £m
Long term boat licence income	£18.8m	£17.9m
Number of boats with a licence at 31 March *	32,733	32,440
Number of boats with a 12 month licence at 31 March	32,179	32,018
Income per private long term licence (annualised)	£596	£580
Moorings		
Income from mooring permits	£5.2m	£5.0m
Number of mooring berths available	3,585	3,637
Occupancy rate	90%	89%
Income yield per occupied berth (annualised)	£1,611	£1,549
Income yield per available berth (annualised)	£1,444	£1,379

* Excludes boat licences for 1 month or less

Joint Ventures

The main joint venture interests of the Group are ISIS Waterside Regeneration LP (50%), H2O Urban (No 2) LLP (50%), and City Road Basin Limited (49%). Each of these operations is engaged in waterside property development. The bank and other institutional borrowings within these joint ventures are without recourse to the Trust and its subsidiaries and as at 31 March 2015 comprised (the Trust Group share)

The Trust's share of bank borrowings in joint ventures as at 31 March was	2015 £m	2014 £m
ISIS Waterside Regeneration		
Homes and Communities Agency	2.3	4.1
Bank	4.8	4.1
	7.1	8.2
H2O Urban LLP		
Bank	4.8	-
Total share of borrowings in joint ventures	11.9	8.2

There were no bank or other institutional borrowings in the other joint ventures at 31 March 2015.

H2O Urban LLP had a very active year with profits arising on six schemes in particular at Bow Wharf in East London where land was sold to a new Joint Venture partnership to develop 34 residential units.

The primary focus in ISIS has been the Brentford lock west residential development in West London. In phase one 46 units were completed and sold during the year generating a £3m profit share for the Trust. Good progress was made on the second phase at Islington Wharf, in Manchester on a townhouse development scheme with 41 out of 46 units sold generating a profit share of £0.6m for the Trust.

Liquidity and Borrowings

	2015	2014
Cash flow summary – Years ended 31 March	£m	£m
Net incoming resources from operations	7.9	5.9
Non-cash items in operating surplus	(1.2)	(3.6)
Movement in working capital and provisions	(6.9)	4.0
Net interest receivable	1.2	4.0
Dividend from joint ventures	0.6	0.3
Operating cash flow	1.6	10.6
Operational capital expenditure (net)	(4.4)	(3.5)
Purchase of investment properties	(42.5)	(22.2)
Disposal of investment properties	99.7	15.7
Repayment of loan note	31.5	-
Net investment in diversified funds	(85.8)	-
Net repayment from joint ventures	4.0	2.8
Payments into short term bank deposits	(0.4)	(5.7)
Taxation	(0.1)	0.1
Revolving credit facility arrangement fees	(0.2)	-
Net cash flow	3.4	(2.2)
Cash balance as at 31 March	52.5	49.1

Cash balances and deposits at year end are as follows

	2015	2014
Bank accounts – as at 31 March	£m	£m
General fund account	15.3	19.0
Cash held by subsidiaries	24.2	15.9
Protected endowment investment capital	12.1	13.1
Held in third party accounts for regeneration	0.9	1.1
	52.5	49.1

The Trust's comparatively low exposure to financial markets together with active management of liquidity has ensured it is well placed to withstand any risk in financial markets

The Trust also has borrowings of £12.9m from Port of London Properties ("POLP"). This loan is at a floating rate of interest being 1% above the Bank of England base rate. The loan was unsecured as at 31 March 2015 but there is an outstanding commitment to the lender to provide security to a value that is satisfactory to the lender. The POLP loan is repayable in January 2019. There is an interest rate cap in place for a notional amount of £20m based on three month LIBOR against a capped rate of 1.5% with a maturity date of September 2018.

Liquidity risk is defined as the risk that the Group would not be able to settle or meet its obligations on time or at a reasonable price. The Trust manages its liquidity risk on a group basis based on operational needs, investment transactions or maturity of borrowings. The liquidity position is monitored through rolling forecasts of expected cash flows.

The credit risk in cash deposits is managed through the treasury investment policy which restricts counterparties to UK registered banks that have Standard & Poor's long term ratings of at least A with limits for deposit duration and amount. These policies are continually monitored and updated for the prevailing market conditions. The Group has no significant concentration of credit risk from its customers as exposure is spread over a large number of entities and individuals.

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. At 31 March 2015 Group share of total bank borrowings in joint ventures was £8.0m (2014: £8.2m). All of these borrowings were at fixed margin but an uncapped variable reference rate of interest. There was no interest rate hedging instruments in place for any of these borrowings.

Waterways Pension Fund

In July 2012 the Trust created a Pension Funding Partnership ("PFP") with the Waterways Pension Fund ("WPF") through which an Asset Backed Contribution ("ABC") was made to the WPF to reduce the valuation deficit on the pension fund. The PFP arrangement has a 19 year life from July 2012 and is expected to mature in 2031. The assets in the PFP comprise two prime London freehold ground rent investments that have reliable long term income characteristics.

The PFP comprises a limited partnership in which the WPF has a limited partner's interest in the assets of the partnership. Through this interest the WPF has the first call on the assets of the partnership limited to the lesser of £125m or the actual deficit on the WPF as shown on the Scheme Actuary's valuation as at 31 March 2031. The WPF's interest carries a fixed prior share of the rental income of the PFP amounting to £5m pa. The remaining equity in the PFP accrues to the Trust group of companies.

The PFP is consolidated in full in the Group accounts as a controlled undertaking and the WPF is accounted for under the provisions of Financial Reporting Standard 17 *Retirement Benefits* with the effect that the ABC is eliminated from the assets of the WPF and accordingly the deficit on the WPF appears in the group consolidated accounts as though the ABC had not been made.

Separately from the PFP, the Trust has adopted a policy of setting aside an amount each year from the General Fund into a Designated Fund for the purpose of accumulating an investment fund that will be available to contribute assets to the WPF when the PFP structure matures in 2031. The balance in this designated at fund at 31 March 2015 is £6.8m (2014: £4.1m).

	2015	2014
Summary of changes in pension fund deficit – Years ended 31 March	£m	£m
Deficit as at 1 April	(67.9)	(59.4)
Current service cost	(6.5)	(7.1)
Discount unwinding on pension scheme liabilities	(19.6)	(19.2)
Actual return on pension scheme assets	51.7	5.1
Actuarial (losses) / gains from changes in assumptions and experience	(56.3)	2.1
Contributions in cash from the employer	10.7	10.6
Deficit as at 31 March	(87.9)	(67.9)

	2015	2014
Assets and liabilities in pension scheme as at 31 March	£m	£m
Market value of assets	408.9	361.9
Present value of liabilities	(496.8)	(429.8)
Deficit as at 31 March	(87.9)	(67.9)
Funding %	82%	84%

Comparison with Business Plans

The income and expenditure presented in the Statement of Financial Activities (SoFA) has been restated on the following page without the allocation of central support costs. In the SoFA these central accosts are allocated to the activities for generating funds and to the charitable activities on a consistent and fair basis. The management accounting basis used for business plans for the Trust however are prepared and published without this allocation of central costs. To enable a comparison between the Plans and the actual results an alternative presentation is set out below where the central costs are shown as a separate line with "Costs of generating funds" and within "Resources expended on charitable activities".

Year ended 31 March 2015 – comparison with business plan	2014/15		2015/16	
	As reported in SoFA	As reported without cost allocation	Business Plan (Without cost allocation)	Business Plan (Without cost allocation)
	£m	£m	£m	£m
Incoming resources				
Voluntary income – donations	1 6	1 6	1 4	2 5
Defra grant funding	39 0	39 0	39 0	50 0
Leisure boating and moorings	33 8	33 8	34 2	35 4
Income from marinas operated by BWML	7 1	7 1	7 2	7 3
Utility income and water sales	26 1	26 1	24 2	25 9
Investment income	46.4	46 4	42 9	40 1
Share of Income from joint ventures	18.8	18 8	30 2	36 0
Incoming resources from generated funds	172 8	172 8	179 1	197 2
Waterway infrastructure income	6 1	6 1	4 9	5 1
Waterway regeneration and restoration	11.7	11 7	10 8	12 5
Museums and attractions	1 2	1 2	1 3	1 2
Incoming resources from charitable activities	19 0	19 0	17 0	18 8
Other incoming resources	7 5	7 5	1 0	0 6
Less Share of income from joint ventures	(18 8)	(18 8)	(30 2)	(36 0)
Total incoming resources	180.5	180.5	166.9	180.6
Less Cost of generating funds				
Voluntary income	(2 7)	(1 8)	(1 8)	(2 7)
Leisure boating and moorings	(9 6)	(7 6)	(9 2)	(9 5)
Marinas operated by BWML	(5 7)	(5 7)	(6 3)	(6 3)
Utilities and water sales	(2 4)	(1 6)	(1 3)	(1 4)
Investment management	(13 9)	(11 2)	(11 1)	(10 4)
Central support service costs allocated to cost of generating funds	-	(6 4)	(6 4)	(6 6)
Cost of generating funds	(34 3)	(34 3)	(36 1)	(36 9)
Net resources available for charitable activities	146.2	146.2	130.8	143.7
Resources expended on charitable activities				
Waterway infrastructure maintenance and repairs	(117 9)	(107 7)	(105 0)	(113 0)
Waterway regeneration and restoration	(15 0)	(13 5)	(12 7)	(15 5)
Museums and attractions	(3 8)	(3 1)	(3 0)	(3 2)
Grants to other organisations	(0 2)	(0 2)	-	-
Charitable activities	(136 9)	(124 5)	(120 7)	(131 7)
Governance costs	(1 4)	(0 8)	(0 8)	(0 7)
Central support service costs allocated to charitable activities	-	(13 0)	(13 0)	(13 6)
Total resources expended on charitable activities and governance	(138 3)	(138 3)	(134 5)	(146 0)
Net surplus / (deficit) on the SoFA	7.9	7.9	(3.7)	(2.3)
Share of net income from joint ventures	4 3	4 3	4 6	6 3
Net surplus including net income from joint ventures	12.2	12.2	0.9	4.0
Other movements on general fund				
Transfer to pension accumulation designated reserve	(2 0)	(2 0)	(2 0)	(2 0)
Distribution to Pension Funding Partnership	(5 0)	(5 0)	(5 0)	(5 0)
FRS17 pension fund accounting adjustments	(0 8)	(0 8)	-	-
Other transfers between funds	3 4	3 4	0 1	3 0
Movement on General Fund during the year	7.8	7.8	(6.0)	-

Business Plan for year ended 31 March 2015

Total incoming resources improved from £166.9m to £180.5m (an increase of £13.6m) due to better than planned income arising from the release of restrictive covenants over property in London Docklands (£5.4m), improvements in investment and utility income (£5.4m) and increased waterway maintenance income and regeneration income totalling £2.1m

Cost of generating funds were £1.8m below plan due partly to delay in starting some projects, various cost savings

As a result of this improved income and costs savings net resources available for charitable activities was £15.4m better than originally planned

Expenditure on charitable activities increased by £3.8m compared with the plan due mainly to additional expenditure on waterway infrastructure maintenance and repairs that were funded from the higher net income

The share of income from joint ventures was in line with the plan and reflects the success of the residential property development activity within the joint venture entities

“ We received
£39m
grant support
from Defra...”

Business Plan for the year ending 31 March 2016

The Trustees have adopted a plan for the year ending 31 March 2016 which has been published on the Trust's website. The following commentary explains the comparison between the 2014/15 actual results and the plan for 2015/16

The 2015/16 plan reflects the expected £11m increase in the grant income from Defra. Voluntary income generation will continue to focus on individual and corporate giving with a planned £0.9m increase in donations to a total of £2.5m for the 2015/16 year

Investment income is planned to decline by £6.3m from the exceptionally high level of 2015 income, which included some one-off receipts. Similarly "Other incoming resources" shows the effect of the one-off receipts that have benefited the results in 2014/15

Within the "Cost of generating funds" it is expected that leisure boating and mooring costs will rise as various projects to improve the standard of towpath moorings are implemented offset by reductions in investment property estate management costs

"Net resources available for charitable activities" is planned to be £2.5m less than 2014/15 due to the factors explained above

Resources expended on charitable activities are planned to increase by £7.2m which includes an intention to increase expenditure on "Waterway infrastructure maintenance and repairs" by £5.3m and expenditure on "Waterway regeneration and restoration" by £2m over the 2014/15 levels

After allowing for the £2m increase in the expected contribution from joint venture activity, and the other movements on funds, the net movement on the General Fund for 2015/16 is planned to be a break even position compared with a surplus of £7.8m for the year ended 31 March 2015

Publication Data – required under the Defra Grant Agreement

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

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

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

Publication Data

Measure	Description	Outcome Result
National Stewardship Score	A combined measure of waterway functionality and public benefit as at 31 March 2015	118 (2014 114)
Safety		
Number of reported incidents involving customers relating to infrastructure failure	The numbers of injuries are for the year ended 31 March 2015	30 (2014 34) customer incidents where an infrastructure defect was a significant contributory cause
Number of reported incidents involving employees	The numbers of injuries for the year ended 31 March 2015	17 (2014 25) employee lost time injuries which includes 6 HSE Riddor reportable "over 7 day" injuries (2014 11) 96 (2014 145) 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 14.1% as at 31 March 2015 (2014 14.7%)
Towpaths		
Number of towpath visitors (based on annual survey data)	Number of visits and visitors for the year ended 31 March 2015 based on a telephone survey of members of the public, expressed in millions	Total visits 402m (2014 350m) Average visitors during a two week period 4.5m (2014 3.5m) Total visitors 19.5m (2014 13.0m)
Number and duration of unplanned closures	Defined as unplanned closures that are caused by asset or infrastructure failure for the year ended 31 March 2015	Number of closures 8 (2014 24) Number of closure days 663 (2014 769) <ul style="list-style-type: none"> • Closure at Bridge 87 on the Grand Union in respect of the failure of a bridge arch (121 days) • Void in towpath on Calder & Hebble (137 days) • Bridge 50 A failure on Caldon Canal (117 days)
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 74.5% as at 31 March 2015 (2014 74.7%)
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 1.41% as at 31 March 2015 (2014 1.57%)
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% (2014 54.4%) This reduction is mainly due to the reassessment of Belvide Reservoir from Favourable to Unfavourable declining Unfavourable recovering 23.6% (2014 19.9%)
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 all assets that have heritage qualities and is not limited to waterway infrastructure assets only	98.6% (2014 95.8%)
Volunteer participation		
Number of volunteer days contributed to the Trust	Number of volunteer days for the year ended 31 March 2015	58,774 days (2014 51,338 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 2015 and forecast for the year ending 31 March 2016	2015 133 residential units completed (500 forecast)
	(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 Over 470 units to be under construction either currently or within the next 6 months (over 860 anticipated within the whole of 2016) Approximately 480 units are forecast to be completed in the year

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 2015 and accordingly the Trust will apply for payment of the conditional portion of the Defra Grant funding for the year ending 31 March 2016 which comprises £10m.

“
£137m
 spent on our „
 charitable activities

GOVERNANCE

CREATING THE CANAL & RIVER TRUST

The Canal & River Trust (the “Trust”) is the charity set up in 2012 to care for England and Wales’ 200-year-old waterways, holding them in trust for the nation forever. The Trust is among the UK’s biggest charities, with responsibility for 2,000 miles of navigable canals and rivers, together with bridges, tunnels, aqueducts, docks and reservoirs, along with museums and archive collections. The charitable activities of the Trust were launched in July 2012 when it took over the activities in England and Wales from British Waterways and The Waterways Trust.

The statutory instrument ‘The British Waterways Board (Transfer of Functions) Order 2012’ came into force on 2 July 2012 and the Trust acquired the assets, liabilities and operations of the British Waterways Board in England & Wales on that date. On 26 July 2012 the Trust acquired The Waterways Trust, an independent charity responsible for three waterway museums including a collection of historic boats, waterways artefacts and historic records.

CHARITABLE PURPOSE

At the core of any charity are its charitable objects or purposes. They are the whole reason for the existence of a charity and it is their effective pursuit and promotion that is the focus of the system of governance. The Trust’s objects are set out in the Articles of Association and can be accessed via our website (www.canalrivertrust.org.uk).

The Trust undertakes a wide range of activities, all of which aim to further its charitable purposes for the public benefit. In reviewing our aims and objectives and setting our priorities each year, we have regard 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 over the next ten years can be found on page 34.

A review of the main activities, achievements and benefits of the period ended 31 March 2015 can be found on pages 4 to 32.

CORPORATE GOVERNANCE

The Board of Trustees has committed itself to the Seven Principles of Public Life and takes cognisance of Good Governance – a Code for the Voluntary and Community Sector. The Trust has been compliant with best practice on corporate governance standards throughout the year. The following statements explain how the principles of the Good Governance Code have been applied.

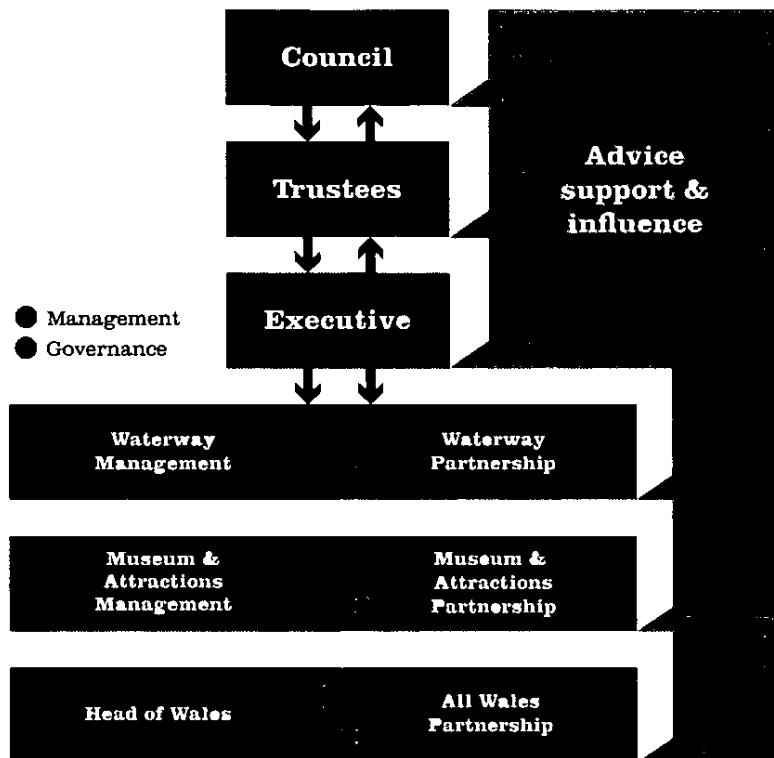
GOVERNANCE STRUCTURE OF THE TRUST

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 a share capital. It has the consent of the Registrar of Companies to be exempt from the requirement to use the word “Limited” in its name.

The Trust’s governing documents are its Memorandum and Articles of Association. These documents 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 operates 19 marinas across England & Wales 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, investing in joint ventures and operating attractions. Profits arising in the subsidiaries are donated to the Trust. A summary of all the Trust’s subsidiaries and results appears in note 11 in these accounts.

Three groups make up the governance of the Canal & River Trust



1 Council

Council members are the 'members' of the Trust for company law purposes. The Council helps to shape policy and is there to hold trustees to account. Whilst the Council does not run the Trust, it has a key role in appointing trustees and may, if necessary, dismiss them. Its membership of up to 35 reflects the wide appeal of the waterways and includes a mix of elected and nominated individuals together with the thirteen Partnership chairs. Members are listed on page 99.

The Council meets twice a year. At the September 2014 meeting the Council reviewed its achievements since the first meeting in March 2012. At that meeting the Council agreed detailed revisions to the Trust Rules which included increased elected representation and a nominated member from the Inland Waterways Association, effective from 2016. Topics discussed included Engagement with young people and diversity, the Trust's approach to Canal Restoration, How the Trust can engage with the well-being agenda, climate change and the canal network resilience.

In March 2015, the Council endorsed a recommendation for a new *Bwrdd Glandŵr Cymru* to be chaired by a Trustee to strengthen the main Board of Trustees' links with Wales. This would replace the All Wales Partnership. Topics discussed included the Trust's strategy on Property & Investment, Corporate Fundraising, Arts on the Waterways, and Education.

All meetings include an update briefing from the chief executive followed by questions and answers.

No Trustee may serve a single term of longer than three years. A third will be required to retire each year. No Trustee may serve more than two terms continuously, except for the chair who may serve three terms. The membership of the Board of Trustees is intended to ensure a balance of skills and experience relevant to the various sectors of the Trust and candidates for appointment as new trustees are proposed to the Council by the Appointments Committee (a joint committee of equal numbers of trustees and Council members) after public advertisement and a process of competitive selection.

“
58,774
volunteer days
during the year”

At the Annual General Meeting of the Trust (a meeting of Council) in September 2014, the following trustees were reappointed following their retirement by rotation

Lynne Berry
Jane Cotton
John Dodwell

In addition, Allan Leighton and Ben Gordon, on the recommendation of the Appointments Committee were appointed as trustees

John Bridgeman retired as a Trustee on 24 September 2014

Joint Council and Trustees Appointments Committee

The remit of the Appointments Committee, defined by Article 27 of the Trusts Articles of Association, includes

- management of the recruitment of trustees and recommendation to the Council for appointments
- appointment of the Partnership chairs who become members of Council *ex officio*
- identification of co-optees to balance the skills and experience represented on the Council
- periodic review of the Trust Rules in respect of the constituencies represented on the Council and their appointment by nomination or election

During the year the Committee re-appointed chairs of the Waterway Partnerships as follows: Walter Menzies (Manchester & Pennine), Peter Mathews (West Midlands), Charlotte Atkins (Central Shires), Danny Brennan (East Midlands), Brian Fender (London), Mark Penny (North East) and John Best (South East), each for a further 3 year term. Mark Lang (All Wales) and Laurence Newman (Museums & Attractions) were appointed for shorter terms pending reviews of these Partnerships

Three new chairs were appointed: Brenda Harvey (North Wales & Borders), David Hagg (South Wales & Severn) and Bob Pointing (North West)

The Joint Appointments Committee reports on its work to the Council at their regular meetings

The following served on the Appointments Committee during the period

Trustees

Lynne Berry (Chair)
Tom Franklin (to Dec 2014)
Jane Cotton (from Jan 2015)
Tony Hales

Council Members

Clive Henderson
Mark Penny
Alison Ward

2. Board of Trustees – operation and membership

The 11 trustees of the Canal & River Trust are legally responsible for ensuring that the Trust works towards its Charitable Objectives. Trustees are the unpaid board directors (under company law) of the Trust, taking collective decisions on policy and overarching strategy and providing oversight of the chief executive and executive directors. The Trust's Board of Trustees is chaired by Tony Hales CBE. Further details of the relationships between the Board of Trustees, the Council, Partnerships, Management and Committees can be found on page 49 of this report.

The Trustees meet regularly (at least six times during the year with additional meetings as required) and bring an independent judgement to its oversight of the direction, strategy and objectives of the Trust. Reporting to the Trustees are the chief executive and executive directors who have direct responsibility for operations and management. They also are responsible for the development of operating strategy and policies, subject to approval by the Trustees. Biographical details of the Trustees can be found on page 98.

All the trustees are independent from management. Any business association or other relationship which could interfere with the exercise of their independent judgement or any other potential conflict is required to be declared. Any declaration is noted in the minutes and, in appropriate cases, the trustee will withdraw from the meeting during consideration of the business to which the declaration relates.

The chairman has ensured that the trustees have been provided with appropriate and timely information and that their enquiries have been properly met. Board papers are sent out a week in advance of the relevant meeting to allow the members fully to prepare for meetings, and minutes of committee meetings are circulated to all members. The trustees are kept informed of developments within the Trust through regular presentation by management. The chief executive and executive directors are normally present during Trustee meetings though the chairman held meetings, or parts of meetings, of the Board of Trustees without the chief executive and executive directors present. Trustee meetings are held at different locations around the Trust network and are preceded by visits and meetings with Trust employees, volunteers and local stakeholders.

The trustees have a schedule of matters specifically reserved to them for decision and have also defined those delegated to Board of Trustee committees and the chief executive and executive directors. All trustees have access to the advice and services of the secretary to the trustees, and may take independent professional advice at the Trust's expense after notifying the chairman. The secretary ensures that new trustees receive appropriate induction on appointment.

Where necessary, the Trust provides the necessary resources for professional development and updating the knowledge and capabilities of the trustees, chief executive and executive directors. The secretary may only be removed with the approval of the trustees.

The trustees have a prescribed methodology for determining appropriate levels of governance and control for subsidiaries, joint ventures and associated undertakings of the Trust. The methodology provides a risk profile that is used as a guide to the appointment of directors and the appropriate level of management reporting.

Conduct and performance evaluation

The trustees are committed to achieving high standards of conduct. The Seven Principles of Public Life recommended by the Committee on Standards in Public Life have been applied to itself and its people and these are complemented by a code of conduct and ethics statement.

The chairman undertakes appraisals of individual trustee performance and the vice chairman appraises the chairman. The Board meets without the chairman present at least once a year to consider the appraisal of his performance.

“The last three years have given me immense satisfaction, seeing the Canal & River Trust grow, thrive and attract ever increasing numbers of volunteers, supporters and partners”

– Tony Hales,
Chairman

**“total reserve funds
increased by £64m
to £660m”**

Audit and Risk Committee

The Audit Committee was re-named the Audit and Risk Committee from 15 October 2014 to more accurately reflect the work that the committee was undertaking

The following trustees served on the Audit and Risk Committee during the period

Lynne Berry
John Bridgeman (to 9/7/14)
John Dodwell
Frances Done (Chair)
Tom Franklin (from 9/7/14)
Steve Shine

The Trust's Audit and Risk Committee comprises five trustees. The trustees are satisfied that at least one member of the Audit and Risk Committee has recent and relevant financial experience. The Committee has written terms of reference, and meets at least three times a year to review the internal audit plan, progress against that plan, and summary findings of the internal and external auditors. In addition to reviewing the financial results and accounting policies, the Committee monitors the effectiveness of risk management and internal control systems for the trustees.

By invitation the chairman attends the meetings, together with the chief executive, the finance director, and the head of audit and, when appropriate, executive directors and the external auditors.

The Committee also meets both the external auditors and the head of audit privately without the chief executive and executive directors present.

The Audit and Risk Committee oversees the nature and amount of non-audit work undertaken by Grant Thornton UK LLP each year to ensure that the external auditors' independence is safeguarded and ensures compliance with the EU audit reform which restricts the non-audit work permitted by external auditors. All non-audit services above £20,000 are required to be approved by the Audit and Risk Committee. Details of the external auditors' fees are given in note 3 to the accounts.

The Audit and Risk Committee is responsible for making recommendations to the Board of Trustees regarding the appointment of the external auditor. The Committee undertook a competitive tender process in July 2014 and Grant Thornton UK LLP were re-appointed as external auditors. This was ratified at the AGM held on 24 September 2014.

During the year the Audit and Risk Committee reviewed significant areas of risk management and internal control including the effectiveness of internal and external audit, governance in the Trust, the Trustees' Report and Accounts for 2014-15, business continuity, IT governance, mobile working, contract management, the Grant Agreement with Defra, and the way in which managers check compliance with agreed standards and processes.

Elsewhere in the Trustees' Report and Accounts, there is an explanation of the Trust's approach to risk management and the responsibilities of the Trustees.

Investment Committee

The following trustees served on the Investment Committee during the period

Manish Chande (Chair)
John Dodwell
Tony Hales
Allan Leighton (from 26/1/15)
Simon Thurley

Voluntary members

John Bywater
Keith Tilson

The Investment Committee comprises five trustees and two external voluntary members who are co-opted to the Committee in an advisory capacity by agreement of the trustees. Its main task is to maintain oversight of the investment strategy of the Trust including property and non-property matters. The Committee monitors the performance of the overall investment portfolio against external benchmarks, reviews policies and strategies and may obtain reports from independent third parties where it considers it appropriate. The Committee has delegated authority from the Board of Trustees to approve investment transactions within defined limits but the authorisation of the largest investment transactions remains with the Board of Trustees. The Committee also keeps under review at each meeting progress on the major joint venture interests.

During the year, the Investment Committee oversaw the first year of implementation of the new Investment Strategy for the Trust involving a diversification of the Trust's investment portfolio 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 £80m 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.

The Committee also approved several significant property investments during the year, pursuant to the Trust's continuing strategy to invest in better quality property assets and divest itself of smaller more management-intensive assets.

“
£616.3m
invested in property and
diversified income funds”

Remuneration Committee

The following trustees served on the Remuneration Committee during the period

Jane Cotton (Chair)
Tony Hales
Tom Franklin
Steve Shine

The Remuneration Committee, comprising four trustees, has as its main task consideration annually of the performance of the chief executive and executive directors, and determination of their remuneration levels.

In determining appropriate remuneration packages, the Remuneration Committee takes account of the skills and experience required for each of the roles and the remuneration in the sectors from which suitable candidates for such posts would be found. It reviews the appropriate levels of remuneration for the chief executive and the executive directors in the context of the Trust's operations and performance, and giving consideration to the need for the right skills and experience across the leadership team.

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.

During the year a new finance director was appointed, to take up the post during 2015/16, at a salary (and total remuneration) lower than that of the outgoing finance director. The marketing & fundraising director is also retiring in summer 2015 and a replacement is being sought.

Information on chief executive, executive director and senior management remuneration is given in note 5 to the Accounts which adopts the format common to the charitable sector and which follows the requirements of the Statement of Recommended Practice (SORP) for Accounting and Reporting by Charities. The only bonus payment awarded by the Remuneration Committee in 2014/15 was to the property director, in line with the contractual link of his remuneration to the Trust's performance against the wider property market.

**“ we now have
more than
11,000
Friends, people who
generously support
us with their
monthly donation ”**

The chief executive and the head of HR attend the Remuneration Committee meetings by invitation to present recommendations and provide support to the Committee, they also update the Remuneration Committee on matters regarding senior level recruitment, leadership development, succession planning and reward but have no input into decisions affecting their own remuneration

We wish to pay tribute to the chief executive and the executive team for their achievements in 2014/15, a year in which they have continued to drive the ongoing development of the Trust, with energy, commitment and strong leadership

Fundraising Committee

Prior to July 2014 an informal sub-group of trustees met intermittently to discuss fundraising issues, with relevant directors and senior employees, including Ruth Ruderham, head of fundraising in attendance. As the scale and significance of the Trust's fundraising has grown, it was decided in July 2014 that a more formal sub-committee with delegated authority from the Board would be desirable. The new Fundraising Committee was approved and met for the first time on 18 September 2014

The following trustees served on the Fundraising Committee during the period

Jane Cotton (Chair)
Lynne Berry
John Dodwell
Tony Hales

The Committee, comprising four trustees, provides assurance and recommendations to the Trust on the effectiveness and appropriateness of its fundraising programme and policies, encompassing both voluntary and statutory fundraising

The Committee is responsible for identifying any matters in respect of which it considers that action or improvement is needed, make recommendations as to the steps to be taken and report its work, conclusions and any recommendations to the Trust. In particular, it shall

Keep under review all fundraising policies ensuring that they remain fit for purpose as the charity evolves

Proactively identify the need for new policies when issues arise that demand a consistent position

Review the relevance and support the implementation of the Ethical Policy

Keep under review our position with regard to regulatory bodies such as the Professional Fundraising Regulatory Authority and the Fundraising Standards Board, advising the Executive in these and other areas that affect the public perception of both us and the charitable sector as a whole

Nominations Committee

The following Trustees served on the Nominations Committee during the period

Lynne Berry (Chair)
Jane Cotton (from 9/7/14)
Tom Franklin (from 9/7/14)
Tony Hales
Simon Thurley (from 9/7/14)

The trustees have a Nominations Committee comprising three trustees. It provides support and advice to the Trust's Appointments Committee on the selection of candidates for appointment to the Board of Trustees (reviewing the Board's mix of skills, experiences and characteristics from time to time). It also considers appointment of trustees to Board committees and succession planning

3. Partnerships

The thirteen Partnerships form the third component in the governance of the Trust. Eleven are aligned to the operational waterway management units. The Museums & Attractions Partnership originally formed to support our museums and visitor attractions concluded its work in December 2014. In March 2015 it was agreed that the All Wales Partnership would be replaced by a new Bwrdd Glandŵr Cymru to be chaired by a Trustee to strengthen the main Board of Trustees' links with Wales.

Each Partnership has on average ten members and includes the relevant waterway manager or senior manager in the case of All Wales and the Museums & Attractions. The partnership chairs are appointed by the Joint Appointments Committee. Partnership members are appointed by the chair of each Partnership, subject to ratification by trustees.

These Partnerships bring together a range of people with relevant skills, knowledge and expertise to support the Trust. They include boaters and canoeists, walkers, cyclists, anglers, those with experience of business, local authorities, national government, communities, young people, health and well-being, diversity, volunteering, fundraising, conservation and management of the environment and heritage.

During the year each Partnership has completed the development of their Vision, priorities and Action Plans for their Partnership. The Plans are available on the website. Their visions and priorities have been incorporated in the Trust's Vision, strategic goals and business plan.

At a local level each Partnership is playing a key role in reaching out to communities, businesses, local politicians including MPs and the academic sector, forging new relationships and encouraging financial and practical support for the Trust including volunteering and waterway adoptions, bringing new people to the waterways from all age groups and backgrounds.

The chair and deputy chair carry out annual reviews with each partnership chair and provide feedback on their work. We wish to pay tribute to the leadership of the partnership chairs and the work of all members who are giving generously of their time, developing their role with energy and enthusiasm, and widening the base of support and engagement in each of their areas. Members of the Partnerships are listed on pages 99 to 100.

The Waterways Ombudsman Scheme

An independent Waterways Ombudsman is available to consider complaints against the Trust (and its subsidiaries) that are not resolved through its own internal complaints procedure. It is a non-statutory scheme funded by the Trust. The terms of the scheme under which the Ombudsman operates are available from the Waterways Ombudsman's website (www.waterways-ombudsman.org).

The current Ombudsman, Andrew Walker, was appointed in November 2012 by the previous Waterways Ombudsman Committee, following an advertisement and open competition for the post. Andrew previously spent four years as the Office of the Telecommunications Ombudsman, a role he left in June 2012.

The current Waterways Ombudsman Committee comprises five members. The current members were appointed at the end of 2014 when the Committee was re-established. Three of the members are entirely independent, including the newly elected chair Steve Harriot, appointed as chair in Feb 2015. A trustee (currently Tom Franklin) and an employee of the Trust (Jackie Lewis, general counsel) are the other two members of the Committee.

More information on the work of the Ombudsman can be found on the Waterways Ombudsman's website.

“19.5m
people visited our
canals and rivers
during the year”

Risk management

The trustees acknowledge their responsibility for defining the Trust's risk appetite and tolerance and maintaining a sound risk management system. During the year all major risks were managed with no significant adverse impact during the year. However, given the broader aims of the newly agreed 10 year Trust strategy, the need for enhanced documentation and reporting improvements for the corporate risk register have been identified. Actions to improve the way in which risk management is assessed, documented and reported are currently being implemented.

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.

The key risks to the Trust failing to achieve its strategic aims are

Non-financial risks

Operational risk

The risk of loss arising from inadequate or failed internal processes, from personnel and systems or from external events including changes in the regulatory environment.

The main operational risks arise from

- The maintenance and operation of the waterway infrastructure
- Climate change affecting the resilience of the waterway infrastructure
- Safety of customers, contractors, employees and volunteers on the waterways and the general public who can freely access, or who live alongside, our network
- Maintaining a balance between conflicting stakeholder expectations in particular the various users of the towpath
- Pressure on the water-space and moorings from very significant growth in boats used as places to live in popular areas with high housing costs and limited availability
- Changes to legislation and regulation creating risks to our resources and operational requirements. Examples of such change are the potential impact of long term abstraction licence reform and prospective requirements that may emerge from the Water Framework Directive
- Change to the organisation and/or personnel at the Trust causing loss of knowledge, expertise, or failure to adopt new processes

Strategic risk

Ineffective, inefficient or inadequate processes for the development and implementation of the Trust's long term strategy

Financial risk

Market risk

The risk of loss resulting from fluctuations in income attributable to wider market factors, affecting the sustainable generation of funds for the Trust

Credit risk

The risk that a counterparty will be unable to pay amounts in full when due. The key areas where the Trust is exposed to credit risk are in relation to the rental due on our property and the trade debts arising from boating and utility sales.

Liquidity risk

The risk that income is insufficient to fund the appropriate maintenance regime of our waterway assets (and related infrastructure) on a timely basis.

How we manage our risks

Our core expertise is in understanding and managing these risks so that we can fulfil our obligations to those who use our waterways by ensuring an adequate return on our investments and other assets to provide the funds needed for the future maintenance of our waterway infrastructure

We manage risk through our choice of business strategy, underpinned by our organisational culture and values. Risk management is embedded across the Trust through our risk management framework, comprising our risk appetite, our risk governance, our internal control environment and risk processes including training and development of all relevant staff

Risk governance

Includes risk policies, business standards and guidance, risk oversight of committees and clear roles and responsibilities

The Audit and Risk Committee from time to time considers and makes recommendations to the Board on the effectiveness of the Trust's risk management framework by an informed assessment of the risks to the Trust's objectives by reference to a clear definition of the types and levels of risk considered acceptable and of compliance with the appropriate controls, standards and processes and regulatory requirements. The chair of the Audit and Risk Committee reports the issues discussed and conclusions reached to the following Board of Trustees meeting. The Board receives and notes the minutes of all Audit and Risk Committee meetings and also consider any significant risk management and internal control issues as well as specific reports on key risks, including the consequences of asset failure

Internal control environment

There is a clear organisation structure with delegated responsibilities and authorities coupled with standards and processes for each functional area. During the year the Trust undertook a restructure to create a new Operations & Asset Management directorate including the waterways and central technical teams to enable the Trust to deliver better customer service, greater public and local community benefits, to operate more efficiently with national asset management and delivery and, hence, ensure the long term health of the waterways in our care

The Trust is committed to achieving high standards from its people. A code of conduct and ethics statement, which includes a whistleblowing procedure, is supported by high safety, customer care and recruitment standards. During the year, a new process for staff appraisal and development, "Performance Excellence" was implemented to further enhance the capabilities of our managers in getting the best from their people

Risk Processes

The processes we use to identify, measure, manage, monitor and report risks

Line management in the business is accountable for risk management, which together with the risk and internal audit function form our 'three lines of defence' of risk management (i.e. operational controls, risk management and internal audit). Having identified and assessed the risks of our business, depending on our risk appetite, we either accept these risks or take action to reduce or mitigate them

Risks are identified in each of the directorates' Business Plan submissions and are reviewed by the chief executive and his executive team. This is supplemented by on-going risk assessments in each directorate jointly by management and internal audit

“over
32,000
licenced boats
on our network”

Risk mitigation

We manage our actual risk profile against our understanding of the risks of our numerous assets and activities

We use a range of risk management and mitigation strategies. The most important of these are

- 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
- waterway asset condition risk management through regular inspection, assessment and prioritisation of remedial action of assets with high consequence of failure balanced with essential maintenance work arising from the infrastructure. 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
- setting parameters for investment asset allocation, maturity, liquidity, counterparty and other concentration risks to manage market risk
- ongoing application of safety processes including training, work procedures, signage and communication, regular inspection and maintenance of assets and the development of relevant competencies
- The Trust manages these risks through applying codes of best practice to ensure consistent and safe conduct, at an individual level, with regular performance appraisals and personal development plans reflecting the continued priorities (around risk and safety) of the Trust

Information and communication

The chief executive and executive directors submit a rolling three year Operating Plan, detailed annual budgets and key performance indicators on its strategic priorities to the trustees for approval. The Plan describes the implementation of the Trust's long term strategic vision and is supported by individual Plans for activities and investments that apply consistent economic and financial assumptions. Monthly operational reports and financial summaries together with regular forecasts are produced for each activity and reviewed by the Executive. Progress against the key performance indicators (KPIs) is supplied on a bi-monthly basis for in year KPIs and annual basis for annual KPIs to the Board for review. Detailed reports and projections are presented to the trustees at Board meetings.

Trustees' responsibilities in respect of the group accounts

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). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make 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.

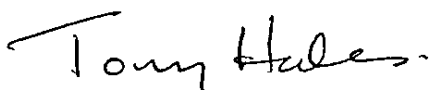
Going concern

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 grant income from Defra under a Grant Agreement dated 28 June 2012, which is for a fixed term of 15 years. A 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 18 June 2015 and signed on their behalf by

“**£180m**
income during
2014/15”



T Hales
Chairman
30 June 2015

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 2015 which comprise the consolidated statement of financial activities, the consolidated income and expenditure account, the group and parent charitable company balance sheets, the consolidated cash flow statement 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).

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 and 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 2015 and of the group's incoming resources and application of resources, including the group's 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 matter prescribed by the Companies Act 2006

In our opinion 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.

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 financial statements are not in agreement with the accounting records or 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
30 June 2015

Grant Thornton UK LLP

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2015

		Protected Endowment Funds		Income	Total	Total
		Subsidiaries	Other	Funds	2014/15	2013/14
Note	£m	£m	£m	£m	£m	£m
Incoming resources						
Voluntary income						
Donations	0 1	-	-	1 5	1 6	1 2
Defra grant funding	39 0	-	-	-	39 0	39 0
Leisure boating	34 6	6 3	-	-	40 9	39 0
Utilities	26 1	-	-	-	26 1	24 7
Investment income	31 4	13 4	1 6	-	46 4	41 9
Share of Income from joint ventures	11	18 8	-	-	18 8	8 7
Incoming resources from generated funds	2	131 2	38 5	1 6	172 8	154 5
Waterway infrastructure income	8 1	-	-	-	6 1	7 2
Waterway regeneration and restoration	11 3	-	-	0 4	11 7	7 0
Museums and attractions	1 2	-	-	-	1 2	1 1
Incoming resources from charitable activities		18 6		0 4	19 0	15 3
Other incoming resources	2	7 5	-	-	7 5	1 5
Less: Share of income from joint ventures	11	(18 8)	-	-	(18 8)	(8 7)
Net incoming resources		210 0	20 3	2 0	232 3	202 0
Less: Cost of generating funds						
Voluntary income	(2 7)	-	-	-	(2 7)	(2 2)
Leisure boating	(10 0)	(5 3)	-	-	(15 3)	(15 2)
Utilities	(2 4)	-	-	-	(2 4)	(2 4)
Investment management	(8 7)	(4 9)	(0 3)	-	(13 9)	(11 6)
Cost of generating funds	3	(23 8)	(10 2)	(0 3)	(34 3)	(31 4)
Net resources available for charitable activities		186 2	10 1	1 7	198 0	170 6
Resources expended on charitable activities						
Waterway infrastructure maintenance and repairs	(116 5)	-	-	(1 4)	(117 9)	(110 8)
Waterway regeneration and restoration	(14 9)	-	-	(0 1)	(15 0)	(9 7)
Museums and attractions	(3 7)	-	-	(0 1)	(3 8)	(3 4)
Grants to other organisations	-	-	-	(0 2)	(0 2)	-
Charitable activities	3	(135 1)	-	(1 8)	(136 9)	(123 9)
Governance costs	3	(1 4)	-	-	(1 4)	(1 4)
Total resources expended on charitable activities and governance		(136 5)	-	(1 8)	(138 3)	(125 3)
Net resources available for other purposes		50 7	10 1	2 9	63 7	45 3
Share of net income from Joint Ventures	11	4 3	-	-	4 3	0 6
Total return on diversified investment funds applied	1 3	-	(1 3)	-	-	-
Transfers between funds	16	11 5	(15 9)	4 4	-	-
Net incoming resources before other recognised gains and losses		9 8	(2 1)	4 4	12 2	6 5
Realised gains on disposal of investment assets	-	6 3	32 2	-	38 5	14 2
Unrealised gains and losses on revaluation of investment assets	9, 10	0 7	14 9	23 8	39 4	28 4
Taxation charge	-	(0 1)	-	-	(0 1)	(0 1)
Actuarial gains and losses on defined benefit pension scheme	19	-	(25 8)	-	(25 8)	(13 2)
Net movement in funds	16	10 5	19 0	34 6	64 2	35 8
Fund balances at 1 April 2014	16	21 2	2 2	571 1	595 8	560 0
Fund balances at 31 March 2015	16	31 7	21 2	605 7	660 0	595 8

The accompanying notes form part of these financial statements

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2015

	2014/15	2013/14
	£m	£m
Income		
Donations	1 6	1 2
Defra grant funding	39 0	39 0
Leisure boating and utilities	60 7	57 8
Investment income	31 4	29 9
Income from charitable activities	19 0	15 3
Other income	7 5	1 5
Total income	159.2	144 7
Expenditure		
Costs of generating funds	(23 8)	(20 2)
Charitable activities	(136 9)	(123 9)
Governance costs	(1 4)	(1 4)
Total expenditure	(162 1)	(145 5)
Net income and expenditure before transfers	(2 9)	(0 8)
Transfer from the protected endowment fund	12 8	2 0
Net income and expenditure after transfers	9 9	1 2

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, this statement excludes unrealised revaluations of investment assets and any movements within the protected endowment funds. 'Net income and expenditure after transfers' represents the 'Net incoming resources before other recognised gains and losses' in the unrestricted funds and restricted income funds on the SoFA.

The Trust uses the exemption conferred by the Companies Act 2006 in not preparing a separate Income and Expenditure Account for the Trust that excludes its wholly owned subsidiaries.

All amounts relate to continuing activities.

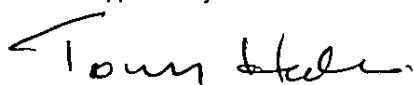
The accompanying notes form part of these financial statements.

BALANCE SHEETS

AS AT 31 MARCH 2015

	Note	Group		Canal & River Trust	
		31 March	31 March	31 March	31 March
		2015	2014	2015	2014
		£m	£m	£m	£m
Fixed assets					
Tangible assets	7	79.2	80.4	60.4	61.7
Heritage assets	8	-	-	-	-
Investments					
Property	9	522.9	507.1	342.3	342.3
Diversified investment funds	10	93.4	-	93.4	-
Subsidiaries	11	-	-	110.9	110.9
Joint ventures					
share of gross assets	11	38.3	36.9	-	-
share of gross liabilities	11	(11.1)	(9.4)	-	-
		722.7	615.0	607.0	514.9
Debtors Amounts falling due after one year	13	8.6	-	8.6	-
Current assets					
Stocks	12	1.3	1.1	1.1	0.8
Debtors	13	43.0	82.0	51.5	81.4
Investments	1	6.1	5.7	-	4.0
Cash at bank and in hand		52.5	49.1	28.3	33.2
		102.9	137.9	80.9	119.4
Current liabilities					
Creditors Amounts falling due within one year	14	(65.4)	(63.4)	(57.6)	(56.0)
Net current assets		37.5	74.5	23.3	63.4
Total assets less current liabilities		768.8	689.5	638.9	578.3
Creditors Amounts falling due after one year	14	(14.9)	(17.4)	(15.3)	(17.8)
Provisions for liabilities	15	(5.7)	(8.1)	(2.7)	(4.6)
Net assets excluding pension fund (liability)/asset		748.2	664.0	620.9	555.9
Pension fund (liability)/asset	19	(88.2)	(68.2)	(1.8)	13.7
Net assets including pension fund (liability)/asset		660.0	595.8	619.1	569.6
Funds					
Unrestricted funds					
General fund		24.9	17.1	24.7	17.7
Designated fund		6.8	4.1	6.8	4.1
Restricted funds					
Protected endowment funds		626.9	573.3	586.2	546.5
Voluntary income funds		1.4	1.3	1.4	1.3
Total funds	16	660.0	595.8	619.1	569.6

Approved by the Board of Trustees on 18 June 2015 and signed on their behalf by



T Hales
Chairman

30 June 2015

Company number 7807276

The accompanying notes form part of these financial statements

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

	2014/15	2014/15	2013/14	2013/14
	£m	£m	£m	£m
Net cash (outflow) / inflow from operating activities		(0.2)		6.3
Returns on investments and servicing of finance				
Interest paid	(0.7)		(0.6)	
Interest received	1.9		4.6	
Net cash inflow from returns on investments and servicing of finance		1.2		4.0
Taxation		(0.1)		0.1
Capital expenditure and financial investment				
Purchase of operational fixed assets	(4.6)		(4.0)	
Purchase of investment property	(42.5)		(22.2)	
Sale of operational fixed assets	0.2		0.5	
Sale of investment property	99.7		15.7	
Repayment of loan note	31.5		-	
Net investment in diversified funds	(85.8)		-	
Net cash outflow from capital expenditure and financial investment		(1.5)		(10.0)
Investments in joint ventures				
Repayment of loans made to joint ventures	4.0		2.8	
Dividends from joint ventures	0.6		0.3	
Net cash inflow from investments in joint ventures		4.6		3.1
Management of liquid resources				
Payments into short term deposits		(0.4)		(5.7)
Cashflows from financing activities				
Revolving credit facility arrangement fees		(0.2)		-
Movement in net cash		3.4		(2.2)

The accompanying notes form part of these financial statements

a) Reconciliation of net incoming resources to cash outflow from operating activities

	2014/15	2014/15	2013/14	2013/14
	£m	£m	£m	£m
Net incoming resources		7.9		5.9
Items not involving the flow of cash				
Interest receivable (net)	(1.2)		(4.0)	
Depreciation	5.1		5.2	
Loss / (profit) on sale of operational fixed assets	0.7		(0.2)	
Difference between payments to defined benefit pension scheme and amount charged to expenditure	(5.8)		(4.6)	
		(1.2)		(3.6)
(Increase) / decrease in stocks		(0.2)		0.1
(Increase) / decrease in debtors		(6.2)		11.8
Increase / (decrease) in creditors		1.9		(4.2)
Decrease in provisions		(2.4)		(3.7)
Net cash (outflow) / inflow from operating activities		(0.2)		6.3

b) Reconciliation of net cash inflow to movement in net funds

	At 1 April 2014	Cash flows	At 31 March 2015
	£m	£m	£m
Cash at bank and in hand	49.1	3.4	52.5
Liquid resources	5.7	0.4	6.1
Loan from Port of London Properties Ltd	(12.9)	-	(12.9)
Net funds	41.9	3.8	45.7

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, with the exception of investments, which are included at market valuation. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), Accounting and Reporting by Charities, published in March 2005, the Companies Act 2006 and applicable UK accounting standards. In line with UK GAAP, investment properties are not depreciated and are stated at market value. This treatment is contrary to the Companies Act 2006, which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company.

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.

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 have a reasonable expectation 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.

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 outgoing resources of the parent company are disclosed in note 16 to the accounts.

Basis of consolidation

The Group comprises the Canal & River Trust and its subsidiaries which are set out in note 11 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 2015 and the comparative period.

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 FRS2. The financial statements of all Group companies are adjusted, where necessary, to ensure the use of consistent accounting policies.

Fund accounting

Reserve policies are set out on page 39 of the Trustees' report and in note 16 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 and comprises the net value of the endowment assets and liabilities transferred to the Trust on 2 July 2012 by the UK Government. The endowment comprises 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 and less any other capital liabilities and creditors.

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 asset dowry reserve will be utilised to fund major repairs to the dowry assets when such repairs or rebuilding is needed. It will require some realisation of investment assets at that time to fund the cash outflow so as to ensure that the major repair costs are not a drain on the Trust's general reserve funds. Net income arising from the investment assets is recognised in the general reserve to fund day to day activities, maintenance and repair expenditure on these waterway infrastructure assets.

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 87 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 generated funds

a) Voluntary income

- i) 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.
- ii) Donations towards the Friends of the Canal & River Trust scheme are recognised on receipt.
- iii) 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 certainty that the legacy will be received and the value is measurable with sufficient reliability.
- iv) Gifts in kind for use by the Trust are included in the accounts at their approximate market value at the date of receipt.
- v) 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, and under the appropriate expenditure heading depending on the nature of service or facility provided, at the same value and time.
- vi) Income from Gift Aid is recognised on submitting a reclaim to HM Revenue & Customs.

- b) Defra funding is accounted as a 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. Further details of the background to this income, which forms a significant proportion of the Trust's incoming resources, can be found on page 38 of the Trustees' Report.

c) Activities for generating funds

- i) **Boat licences and mooring permits** These are invoiced in advance and income is recognised on an accruals basis over the term of the licence or permit
- ii) **Income from marinas subsidiary British Waterways Marinas Limited (BWML)** includes income from marina operations, retail sales from chandlery and property rents. All income in BWML is accounted for in accordance with these group accounting policies
- iii) **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 income

- i) **Property rents** 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 or a shorter period ending on a date from which it is expected the prevailing market rental will be payable. 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
- 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
- iv) **Dividend income** is recognised when the Group's right to receive payment is established
- v) **Income from endowments** The Asset Dowry funds within the Protected Endowment Fund, arising on acquisition of the British Waterways assets and liabilities (described above under Fund accounting), is restricted

Incoming resources from charitable activities

- a) **Maintenance agreements and other waterway related income** This 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** This is income towards restoring and improving the waterways network. The income 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 staged 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 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 sales 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. Irrecoverable VAT is either charged to the appropriate heading or it is capitalised as appropriate

The consolidated SoFA defines costs in three specific categories

- Cost of generating funds
- Charitable activities
- Governance costs

Cost of generating funds

- a) Costs of generating voluntary income include fundraising costs incurred in seeking voluntary contributions. This includes the costs of supporting the Friends of the Canal & River Trust scheme
- b) Costs of activities for generating 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 as well as the strategic planning processes that contribute to the future development of the Trust. It also includes the cost of asset valuations as well as the costs of internal and external audit and preparing Trustees' Report and Accounts

Support costs

Support costs representing expenditure on administration, financial management, human resources and information systems and communications are allocated to the costs of generating funds, charitable activities, investment and governance 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 gross equity method of accounting in accordance with FRS9 Associates and 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 11 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 and joint ventures in the Trust's company only accounts

Investments are stated at cost, less any provision for 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 permanent impairment. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its net realisable value 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 8 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 public benefit 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. 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 of the assets held, 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 8 to the accounts.

Investment properties

Investment properties are included at valuation on an open market basis. 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 2015, independent professionally qualified surveyors valued 90% of the properties by value. The remaining 10% were valued by qualified surveyors employed by the Trust. The movements in valuation and profits on sale of investment properties is presented in other recognised gains and losses on the SoFA and comprises both realised and unrealised gains and losses. The Trust accounts for disposals of investment properties upon completion of sale or when the sale is unconditional. Valuation costs are included within governance costs on the SoFA.

The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that, because these properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view and that it is necessary to adopt SSAP 19 in order to give a true and fair view of the financial position of the company.

If this departure from the Act had not been made, the profit for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified, because depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

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. In the SoFA income from the investments is recognised as 'investment 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 income.

Leased property, plant and equipment

a) Group as a lessee

All leases into the Group are leases where substantially all the risks and rewards incidental to legal 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, or if shorter than the full lease term, over the period to the review date on which the rent is expected to be adjusted to the prevailing market rent.

Stocks

Stocks are stated at the lower of cost or net realisable value.

Current asset investments

Current asset investments are short-term deposits of cash for terms where the notice period for withdrawal is more than one day.

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.

No tax charge arises in any subsidiaries of the Trust to the extent that the subsidiary is able to gift all taxable profits to the Trust.

To the extent that taxation does arise in the Canal & River Trust, its subsidiaries and joint venture companies, it is accounted in accordance with FRS16 *Current tax* and FRS19 *Deferred tax*

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 and British Waterways Board (trading as Scottish Canals). In accordance with the terms of the transfer from British Waterways, Scottish Canals is only responsible for any future deficit arising following 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 FRS17 *Retirement benefits*, with a valuation undertaken by an independent actuary. FRS17 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 expected return on the Fund's assets and interest cost on the Fund's liabilities are allocated across the appropriate incoming/outgoing resource categories. 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.

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 FRS17.

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. 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. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Outstanding claims reported in Canal & River Re-insurance limited, 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 INCOMING RESOURCES

	2014/15	2013/14
	£m	£m
Incoming resources from generated funds includes		
Donations		
General donations to the Trust	1.5	0.7
Gifts in kind	0.1	0.4
Legacies	-	0.1
Voluntary income	1.6	1.2
Defra grant funding	39.0	39.0
Leisure boating and moorings	33.8	32.4
Income from marinas operated by BWML	7.1	6.6
Income from leisure boating	40.9	39.0
Utility income and water sales	26.1	24.7
Investment property	40.8	36.1
Interest receivable	0.3	3.4
Premiums earned by Canal & River Reinsurance Ltd	1.3	1.2
Other investment income	1.7	1.2
Total return applied from diversified investment *	2.3	-
Investment income	46.4	41.9
Share of income from joint ventures	18.8	8.7
Incoming resources from generated funds	172.8	154.5

* Total return applied from diversified investment see note 10

Gifts in kind of £51k included support for our winter works programme from Kier valued at £37k

A one-off income receipt in 2014/15 of £7.5m from a contractual right associated with our property interests in the London Docklands area is reported as "Other incoming resources" in the SoFA.

3 TOTAL RESOURCES EXPENDED

	Direct Costs	Support Costs	2014/15	2013/14
	£m	£m	£m	£m
a) Cost of generating funds				
Voluntary income	1.8	0.9	2.7	2.2
Leisure boating and moorings	7.6	2.0	9.6	9.1
Marinas operated by BWML	5.7	-	5.7	6.1
Utility income and water sales	1.6	0.8	2.4	2.4
Investment management costs	11.2	2.7	13.9	11.6
Total cost of generating funds	27.9	6.4	34.3	31.4
b) Charitable activities				
Waterway infrastructure maintenance & repairs	107.7	10.2	117.9	110.8
Waterway regeneration and restoration	13.5	1.5	15.0	9.7
Museums and attractions	3.1	0.7	3.8	3.4
Grants to other organisations	0.2	-	0.2	-
Charitable activities	124.5	12.4	136.9	123.9
Governance	0.8	0.6	1.4	1.4
Total resources expended on charitable activities and governance	125.3	13.0	138.3	125.3

3 TOTAL RESOURCES EXPENDED (CONTINUED)

Included within Governance costs are the costs of audit (both internal and external), investment valuation fees, and the AGM and Committee costs

Auditor's fees and expenses include the following

	2014/15	2013/14
	£000	£000
Fees payable to the auditors of Canal & River Trust		
in respect of the charity audit	154	151
in respect of subsidiary audits *	64	39
Other non-audit services	41	7
Total fees payable to auditor	259	197

* Audit fees in respect of subsidiary audits accounted for in 2014/15 includes £32,500 in respect of 2013/14

4 SUPPORT COSTS

	Offices	Finance & IT	Human Resources	Management & Other	2014/15	2013/14
	£m	£m	£m	£m	£m	£m
Voluntary income	0.1	0.3	-	0.5	0.9	0.7
Leisure boating and moorings	0.2	1.1	0.1	0.6	2.0	2.5
Utility income and water sales	0.1	0.3	-	0.4	0.8	0.8
Investment management costs	0.1	1.6	0.1	0.9	2.7	2.6
Waterway infrastructure maintenance & repairs	1.4	4.9	1.3	2.6	10.2	10.9
Waterway regeneration and restoration	0.1	0.4	0.1	0.9	1.5	1.3
Museums and attractions	0.1	0.3	0.1	0.2	0.7	0.8
Governance	-	0.3	-	0.3	0.6	0.6
Total support costs	2.1	9.2	1.7	6.4	19.4	20.2

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

5 EMPLOYEE COSTS

No remuneration was paid to any members of the Board of Trustees. Travel and accommodation expenses were reimbursed by the Trust to 5 individuals (2014: 8) totalling £5,381 (2014: £9,344)

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

	Group	
	2014/15	2013/14
	Number	Number
Generating voluntary income	11	6
Generating income from leisure boating and utilities	185	178
Investment management	36	37
Waterway infrastructure maintenance and repair	1,115	1,084
Waterway regeneration and restoration	31	33
Museums and attractions	50	41
Governance	6	6
Support functions	170	170
Total number of persons	1,604	1,555

5 EMPLOYEE COSTS (CONTINUED)

Total employment costs were

	Group	
	2014/15	2013/14
	£m	£m
Wages and salaries	47.1	43.6
Social security costs	4.1	3.8
Defined benefit pension costs (see note 19)	6.5	7.1
Defined contribution pension costs	0.6	0.5
Total employment costs	58.3	55.0

The number of employees whose remuneration during the period (including taxable benefits in kind but not employer pension costs) fell within the following ranges were

	Group	
	2014/15	2013/14
	Number	Number
£60,000 - £70,000	28	21
£70,001 - £80,000	11	18
£80,001 - £90,000	5	7
£90,001 - £100,000	4	8
£100,001 - £110,000	2	-
£110,001 - £120,000	2	4
£120,001 - £130,000	3	2
£130,001 - £140,000	-	1
£140,001 - £150,000	1	1
£170,001 - £180,000	1	1
£180,001 - £190,000	1	1
£190,001 - £200,000	2	1

55 (2014: 64) higher paid employees are accruing retirement benefits under the Waterways Pension Fund defined benefit scheme. Payments to the defined contribution pension scheme in respect of 4 (2014: 2) higher paid employees amounted to £23k (2014: £6k).

The remuneration during the year for Richard Parry, chief executive, comprised a salary of £180,782 (including car allowance of £9,618).

There were two employees whose remuneration during the year was higher than the chief executive.

Stuart Mills, property director, received a salary of £148,969, performance related pay of £30,113 reflecting the strong performance of our property portfolio in the year ended 31 March 2014, and benefits in kind (including company car) of £11,320, totalling £190,402.

Vince Moran, operations & asset management director, received a salary of £183,547 (including £21,700 in lieu of a pension contribution) and benefits in kind (including company car) of £9,048, totalling £192,595. Mr Moran was the Trust's highest paid employee in the period of this report.

6 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. However, on the transfer of the activities in England and Wales to the Trust, certain historical current and deferred tax balances in British Waterways and its subsidiaries were also transferred

Charged to Statement of Financial Activities

	Group	
	2014/15	2013/14
Tax	£m	£m
Current tax	(0.1)	(0.1)

Corporation tax is calculated at 21% (2014: 23%) of the assessable profits for the period

The current tax charge for the period can be reconciled to the Net Incoming Resources before Other Recognised Gains and Losses as follows

	Group	
	2014/15	2013/14
	£m	£m
Net Incoming Resources before transfer and acquisition	12.2	5.9
Tax charge at the UK corporate tax rate of 21% (2014: 23%)	(2.6)	(1.4)
Tax effect of expenses that are not deductible in determining taxable profits	(0.1)	(0.1)
Charitable income/expenses exempt from tax	1.9	1.4
Accelerated capital allowances	-	0.1
Losses carried forward	0.7	(0.1)
Current tax charge	(0.1)	(0.1)

Deferred Tax

As noted above, the Trust is a registered charity and as such it is expected that its income and profits from investments and surpluses on any trading activities carried out in furtherance of the Trust's primary objectives will qualify for exemption from tax

It is also expected that the Trust's subsidiaries will give all their profits to the Trust, normally resulting in no tax liability arising in those subsidiaries. Accordingly, deferred tax has not been recognised on any timing differences

A Group company has an unrecognised deferred tax liability of £0.6m (2014: £0.4m) at 31 March 2015. Deferred tax has not been recognised as it is expected that the subsidiary will transfer any profits in future periods to the Trust by way of gift aid

A Group company has carried forward tax losses of £5.0m (2014: £8.6m) at 31 March 2015. The losses relate to the company's interest in limited partnerships and can only be offset against future trading profits from the relevant partnership

6 TAXATION (CONTINUED)

Corporation tax creditor

	At 1 April 2014	(Repaid) / paid	Current year tax movement	Carried forward at 31 March 2015
	£m	£m	£m	£m
Group				
Corporation tax	-	-	0.1	0.1
Canal & River Trust				
Corporation tax	0.1	-	(0.1)	-

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.

7. TANGIBLE FIXED ASSETS

Group	Operational land and buildings		Boats, vehicles, plant and equipment	Total
	Freehold	Leasehold		
	£m	£m	£m	£m
Cost				
At 1 April 2014	47.7	4.8	36.8	89.3
Transfers from investment property (note 9)	0.2	-	-	0.2
Additions	0.3	0.5	3.8	4.6
Disposals	(0.8)	-	(0.2)	(1.0)
At 31 March 2015	47.4	5.3	40.4	93.1
Depreciation				
At 1 April 2014	1.3	0.3	7.3	8.9
Provision for the period	0.9	0.2	4.0	5.1
Disposals	-	-	(0.1)	(0.1)
At 31 March 2015	2.2	0.5	11.2	13.9
Net book value				
At 31 March 2014	46.4	4.5	29.5	80.4
At 31 March 2015	45.2	4.8	29.2	79.2

7 TANGIBLE FIXED ASSETS (CONTINUED)

Canal & River Trust	Operational land and buildings		Boats, vehicles, plant and equipment	Total
	Freehold	Leasehold		
	£m	£m	£m	
Cost				
At 1 April 2014	37.4	0.4	31.8	69.6
Transfers from investment property (note 9)	0.2	-	0.1	0.3
Additions	0.3	-	3.5	3.8
Disposals	(0.8)	-	(0.2)	(1.0)
At 31 March 2015	37.1	0.4	35.2	72.7
Depreciation				
At 1 April 2014	1.2	-	6.7	7.9
Provision for the period	0.9	0.1	3.5	4.5
Disposals	-	-	(0.1)	(0.1)
At 31 March 2015	2.1	0.1	10.1	12.3
Net book value				
At 31 March 2014	36.2	0.4	25.1	61.7
At 31 March 2015	35.0	0.3	25.1	60.4

8 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 consider that any meaningful value can be placed on the Waterways Infrastructure and therefore does not recognise those assets on its balance sheet. Expenditure to maintain and repair 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 over 2,700 listed structures and 97 scheduled ancient monuments.

These assets are maintained regularly as an integrated network to ensure that the waterways can be used for navigation and public access. The assets 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 public benefit 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 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:

8 HERITAGE ASSETS (CONTINUED)

Asset description	Length / number	
	31 March 2015	31 March 2014
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)	1,656	1,651
Bridges – Public Road (1)	875	878
Bridges – Towpath/Turnover (1)	446	443
Culverts (2)	1,931	1,910
Major cuttings (3)	850	837
Major embankments (3)	749	745
Docks (4)	13	17
Dry docks (4)	25	20
Permitted waste sites	23	25
Locks	1,583	1,583
Pumping stations	74	75
Reservoirs	73	73
Sluices	508	510
Stop/Safety/Flood Gates (5)	67	86
Tunnels	55	55
Waste weirs, Canal	659	660
River weirs	129	129
Weir-ed locks	84	84
Boat lifts (Navigation)	1	1

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

Historic battlefields	9	9
Listed buildings	2,694	2,698
Scheduled ancient monuments	49	47
Sites of Special Scientific Interest (SSSI's)	63	63

(1) Bridges – the changes are generally due to reclassification of ownership or bridge type during 2014/15

(2) Culverts – the changes are due to increased focus to identify possible new culverts and agree ownership during 2014/15

(3) Cuttings and embankments – the changes in numbers are generally due to the re-categorisation of assets that are managed as principal assets

(4) Docks/Dry docks – the changes are generally due to reclassification of dock type during 2014/15

(5) Stop/Safety/Flood gates – the reduction during the year results from the identification of those that are no longer operationally required

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 has 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 81 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.

9 INVESTMENT PROPERTY

	Group			Canal & River Trust		
	Freehold	Leasehold	Total	Freehold	Leasehold	Total
	£m	£m	£m	£m	£m	£m
Carrying value (market value)						
At 1 April 2014	491.5	15.6	507.1	327.8	14.5	342.3
Transfers to fixed assets (note 7)	(0.2)	-	(0.2)	(0.2)	-	(0.2)
Additions	42.4	-	42.4	39.6	-	39.6
Disposals	(57.0)	(2.1)	(59.1)	(55.1)	(2.1)	(57.2)
Revaluation	32.7	-	32.7	17.6	0.2	17.8
At 31 March 2015	509.4	13.5	522.9	329.7	12.6	342.3

The carrying value at 31 March 2015 is based upon these valuations

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 all properties in March 2014. For the valuation at 31 March 2015, GVA Grimley Ltd valued 90% of the properties by value. The remaining 10% were valued by qualified surveyors employed by the Trust.

10 DIVERSIFIED INVESTMENT FUNDS

(a) Movement on diversified income funds

	Group & Canal & River Trust	
	2014/15	2013/14
	£m	£m
At 1 April	-	-
Additions	86.0	-
Dividend income	1.0	-
Investment management costs	(0.3)	-
Revaluation gain	6.7	-
At 31 March	93.4	-

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

	Group & Canal & River Trust				
	Endowment	Unapplied total return	Total investment from Endowment	Designated Fund	Total Funds
	£m	£m	£m	£m	£m
At 1 April 2014					
Trust for investment	-	-	-	-	-
Unapplied total return	-	-	-	-	-
Movements in reporting period					
Additions to investment funds	80.0	-	80.0	6.0	86.0
Investment return - dividends	-	1.0	1.0	-	1.0
Investment return - realised and unrealised gains	-	6.0	6.0	0.7	6.7
Less - Investment management costs	-	(0.3)	(0.3)	-	(0.3)
	80.0	6.7	86.7	6.7	93.4
Total return applied to income	-	(2.3)	(2.3)	-	(2.3)
Net movement in reporting period	80.0	4.4	84.4	6.7	91.1
At 31 March 2015					
Trust for investment	80.0	-	80.0	6.7	86.7
Unapplied total return	-	4.4	4.4	-	4.4
	80.0	4.4	84.4	6.7	91.1

10 DIVERSIFIED INVESTMENT FUNDS (CONTINUED)

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 first year of implementation of the new 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 £80m 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. The Trust also instructed Partners Capital to invest £6m from the Pension Accumulation Designated Fund (see note 16) into a separate investment fund

11 INVESTMENTS

SUBSIDIARIES

CANAL & RIVER TRUST	2014/15	2013/14
Investments in subsidiaries	£m	£m
Shares at cost less amounts written off		
At 1 April	110.9	110.0
Transfer from The Waterways Trust	-	0.5
Additions	-	1.0
Provision for reduction in fair value	-	(0.6)
At 31 March	110.9	110.9

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 2 *Accounting for subsidiary undertakings*
- 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 Ltd provides reinsurance to the Trust in respect of property, motor and public liability
- 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 2015

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

11 INVESTMENTS (CONTINUED)

2014/15

The contribution of subsidiary companies to the Trust's funds in the period to 31 March 2015 was as follows

	Income	Expenditure	Net incoming resources before other recognised gains and losses	Net assets at 31 March 2015
	£m	£m	£m	£m
Canal & River Trading CIC	0.4	(0.3)	0.1	37.1
British Waterways Marinas Ltd	7.1	(6.2)	0.9	13.3
Canal & River Pension Investments LP	12.5	(5.0)	7.5	175.4
Canal & River Pension Partner Ltd	-	-	-	19.0
Canal & River Reinsurance Limited	1.3	(0.3)	1.0	3.0
Other minor subsidiaries	-	0.4	0.4	(1.6)
	21.3	(11.4)	9.9	246.2

2013/14

The contribution of subsidiary companies to the Trust's funds in the period to 31 March 2014 was as follows

	Income	Expenditure	Net incoming resources before other recognised gains and losses	Net assets at 31 March 2014
	£m	£m	£m	£m
Canal & River Trading CIC	0.4	(0.2)	0.2	37.9
British Waterways Marinas Ltd	6.6	(6.0)	0.6	14.0
Canal & River Pension Investments LP	9.2	(5.0)	4.2	160.4
Canal & River Pension Partner Ltd	-	-	-	19.0
Canal & River Reinsurance Limited	1.3	(0.6)	0.7	2.2
Other minor subsidiaries	0.9	(1.1)	(0.2)	(2.3)
	18.4	(12.9)	5.5	231.2

JOINT VENTURES

GROUP	2014/15	2013/14
Investments in joint ventures	£m	£m
At 1 April	27.5	30.0
Loans made	0.7	-
Loans repaid	(4.7)	(2.8)
Share of revenue profits	4.3	0.6
Dividends paid	(0.6)	(0.3)
At 31 March	27.2	27.5

11 INVESTMENTS (CONTINUED)

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

	31 March 2015	31 March 2014
	£m	£m
Fixed assets	0.1	0.1
Current assets	38.2	36.8
Share of gross assets	38.3	36.9
Current liabilities	(11.1)	(9.4)
Share of gross liabilities	(11.1)	(9.4)
Share of net assets	27.2	27.5

The Group's share of incoming resources from joint ventures was £18.8m (2014: £8.7m) and share of resources expended was £14.5m (2014: £8.1m). 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.

	Accounting period end date used in these accounts	Profit for the year*	Equity interest held**	Main activity
		£m	%	
Joint ventures				
Isis Waterside Regeneration LP	31 December 2014	3.4	49.5%	Property development
City Road Basin Ltd	31 December 2014	-	49%	Property development
H2O Urban LLP	31 December 2014	0.2	50%	Property development
Paddington Basin Business Barges Ltd	31 December 2014	-	49%	Office management

* The profit for the year of each joint venture, based on the accounts made up to the dates indicated.

** Whilst the Trust retains a 49% shareholding in some joint venture companies, the voting rights and profit share is 50/50.

A new property development joint venture with Birmingham City Council, Icknield Port Loop LLP, was registered with Companies House on 19 January 2015 and was dormant for the remainder of the year.

12 STOCKS

	Group		Canal & River Trust	
	31 Mar 15	31 Mar 14	31 Mar 15	31 Mar 14
	£m	£m	£m	£m
Raw materials	0.9	0.7	0.9	0.7
Finished goods and goods for resale	0.4	0.4	0.2	0.1
	1.3	1.1	1.1	0.8

13 DEBTORS

Amounts falling due within one year	Group		Canal & River Trust	
	31 Mar 15	31 Mar 14	31 Mar 15	31 Mar 14
	£m	£m	£m	£m
Trade debtors	19.5	19.5	17.2	17.6
Gift aid and dividends receivable from subsidiaries	-	-	15.8	5.7
Other amounts owed from Group undertakings	-	-	2.2	0.9
Prepayments and accrued income	13.2	10.6	6.4	5.5
Deferred consideration agreements	9.0	19.8	9.0	19.8
Loan notes	-	31.5	-	31.5
Corporation tax	0.1	-	0.1	0.1
Value added tax	0.7	-	0.7	-
Other debtors	0.5	0.6	0.1	0.3
	43.0	82.0	51.5	81.4

There is a deferred consideration agreement in place with Travis Perkins for land sold to them in 2010 in Paddington, London. The deferred sum of £9m is secured and attracts a coupon of 7.2% p.a. The outstanding sum is due to the Trust no later than 8th October 2015.

Loan notes amounting to £48.0m were originally subscribed from CWG (Wood Wharf) Holdings Ltd on 18 January 2012 and are guaranteed by Canary Wharf Group PLC. During the year the remaining loan notes to the value of £31.5m were repaid.

Amounts falling due after more than one year	Group		Canal & River Trust	
	31 Mar 15	31 Mar 14	31 Mar 15	31 Mar 14
	£m	£m	£m	£m
Deferred consideration agreements	8.6	-	8.6	-
	8.6	-	8.6	-

During the year property was sold to Canary Wharf Group PLC on deferred payment terms including interest at 7%. The outstanding debt of £8.6m is due for payment to the Trust no later than 30 September 2018.

14 CREDITORS

Amounts falling due within one year	Group		Canal & River Trust	
	31 Mar 15	31 Mar 14	31 Mar 15	31 Mar 14
	£m	£m	£m	£m
Trade creditors	12.0	8.8	11.6	8.6
Taxation and social security	0.2	0.2	0.2	0.2
Amounts owed to other Group companies	-	-	0.3	0.3
Accruals	14.5	12.0	11.4	8.7
Deferred income	34.0	33.7	29.9	30.0
Value added tax	-	2.1	-	2.1
Other creditors	4.7	6.6	4.2	6.1
	65.4	63.4	57.6	56.0

14. CREDITORS (CONTINUED)

Amounts falling due after more than one year	Group		Canal & River Trust	
	31 Mar 15	31 Mar 14	31 Mar 15	31 Mar 14
	£m	£m	£m	£m
Loan from Port of London Properties Ltd	12.9	12.9	12.9	12.9
Deferred income	1.5	1.7	1.5	1.7
Other creditors	0.5	2.8	0.9	3.2
	14.9	17.4	15.3	17.8

The £12.9m loan from Port of London Properties Ltd is at a floating rate of interest being 1% above the Bank of England base rate. The loan was unsecured as at 31 March 2015 but there is an outstanding commitment to the lender to provide security to a value that is satisfactory to the lender. The POLP loan is repayable in January 2019.

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 2015. At 31 March 2015, Group share of total bank borrowings in joint ventures was £11.9m (2014: £8.2m).

15. PROVISIONS FOR LIABILITIES

Group	At 1 April 2014	Paid	Charged	Released	At 31 March 2015
	£m	£m	£m	£m	£m
Personal injury claims	1.7	(0.5)	1.3	(0.9)	1.6
Third party contractual claims	0.4	(0.1)	0.3	(0.2)	0.4
Redundant property	0.6	(0.3)	-	(0.3)	-
Operational property repairs	0.9	(0.9)	-	-	-
Canal & River Reinsurance	3.5	(0.7)	0.9	(0.7)	3.0
Other provisions	1.0	(0.5)	0.2	-	0.7
	8.1	(3.0)	2.7	(2.1)	5.7

Canal & River Trust	At 1 April 2014	Paid	Charged	Released	At 31 March 2015
	£m	£m	£m	£m	£m
Personal injury claims	1.7	(0.5)	1.3	(0.9)	1.6
Third party contractual claims	0.4	(0.1)	0.3	(0.2)	0.4
Redundant property	0.6	(0.3)	-	(0.3)	-
Operational property repairs	0.9	(0.9)	-	-	-
Other provisions	1.0	(0.5)	0.2	-	0.7
	4.6	(2.3)	1.8	(1.4)	2.7

Provisions are recognised when the conditions of FRS 12 *Provisions, contingent liabilities and assets* have been met. The timing of when provisions will be settled is generally uncertain due to the nature of the relevant claims and obligations.

15 PROVISIONS FOR LIABILITIES (CONTINUED)

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

Redundant property

The provision relates to properties which are surplus to requirements. The provision represents the future net commitments in order to discharge the Trust's liability relating to the estimated cost of subletting within the remaining operating lease period. During the year all outstanding liabilities were settled

Operational property repairs

The Waterways Trust has provided for repairs to operational buildings in respect of legal and constructive obligations in existence prior to the acquisition by the Canal & River Trust on 26 July 2012. During the year all outstanding obligations were completed

Canal & River Reinsurance

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

Other provisions

These are provisions which fall outside of the categories described above

16 MOVEMENT IN FUNDS

Group	OPERATIONAL FUNDS						Total
	General Fund	Designated Funds	Subsidiaries	Asset Dowry Funds	Other	Restricted Income Funds	
	£m	£m	£m	£m	£m	£m	£m
At 1 April 2014	17.1	4.1	2.2	50.5	520.6	1.3	595.8
Net incoming resources (including joint ventures)	(3.0)	-	13.8	-	1.3	0.1	12.2
Gift aid receivable and dividends from subsidiaries*	12.8	-	(16.1)	-	3.3	-	-
Transfer to Pension Accumulation Reserve*	(2.0)	2.0	-	-	-	-	-
Other transfers between funds*	2.9	-	0.2	(0.6)	(2.5)	-	-
PFP contribution to Pension Fund**	(5.0)	-	-	-	5.0	-	-
Pension Fund current service cost in excess of contributions*	0.8	-	-	-	(0.8)	-	-
Total return on diversified investment funds applied	1.3	-	-	-	(1.3)	-	-
Other recognised gains and losses	-	0.7	21.2	-	30.2	-	52.1
Taxation charge	-	-	(0.1)	-	-	-	(0.1)
As at 31 March 2015	24.9	6.8	21.2	49.9	555.8	1.4	660.0

16. MOVEMENT IN FUNDS (CONTINUED)

Canal & River Trust	Income & Expenditure		Assets				
	Protected Endowment Funds						
	General Fund	Designated Funds	Subsidiaries	Asset Dowry Funds	Other	Restricted Income Funds	Total
	£m	£m	£m	£m	£m	£m	£m
At 1 April 2014	17.7	4.1	-	50.5	496.0	1.3	569.6
Net incoming resources	(3.4)	-	-	-	5.3	0.1	2.0
Gift aid receivable and dividends from subsidiaries*	12.8	-	-	-	3.3	-	16.1
Transfer to Pension Accumulation Reserve*	(2.0)	2.0	-	-	-	-	-
Other transfers between funds*	2.5	-	-	(0.6)	(1.9)	-	-
PFP contribution to Pension Fund**	(5.0)	-	-	-	5.0	-	-
Pension Fund current service cost in excess of contributions*	0.8	-	-	-	(0.8)	-	-
Total return on diversified investment funds applied	1.3	-	-	-	(1.3)	-	-
Other recognised gains and losses	-	0.7	-	-	30.7	-	31.4
As at 31 March 2015	24.7	6.8	-	49.9	536.3	1.4	619.1

* see description of 'Transfers between funds' below

** Pension Funding Partnership (PFP) see note 19

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.

Endowment Fund

The Endowment Fund is a restricted reserve and comprises the net value of the endowment assets and liabilities transferred to the Trust on 2 July 2012 by the UK Government. The endowment comprises 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 and less any other capital liabilities and creditors. Income arising from these net assets is available to be spent on the charitable activities of the Trust.

The 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.

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.

16 MOVEMENT IN FUNDS (CONTINUED)

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.

Restricted Income Funds

Fund Name	Balance 1 Apr 14	Transfers and Acquisitions	Incoming Resources	Resources Expended	Transferred to Other Bodies	Balance 31 Mar 15
	£000	£000	£000	£000	£000	£000
Canal & River Trust						
Friends Fund	662	(57)	699	(756)	-	548
Specific Project Funds						
<i>Canal & River Trust funds</i>						
Hedgerow Action Plan	49	-	70	(4)	-	115
National Canal Flood Appeal	32	-	11	(43)	-	-
Give a vole a home along the Rufford Canal	25	-	-	(14)	-	11
Memorial Benches	24	-	33	(8)	-	49
Heritage boat, Ferret, restoration	2	-	24	(2)	-	24
Buy and Restore a Volunteer Workboat	3	2	17	(22)	-	-
Stratford 2 Stratford	-	-	25	(10)	-	15
Coast to Coast Canoe Trail	-	-	202	(3)	-	199
The Line Arts Project	-	-	95	(84)	-	11
Arts Council Funding Pennine	-	-	84	(102)	-	(18)
Community Adoption Rochdale and Huddersfield	-	-	130	-	-	130
River Stort Water Voles	-	42	11	(48)	-	5
BIG Lottery Burnley	-	-	21	(21)	-	-
Explorers Web Game	-	-	22	(22)	-	-
Other Specific Project Funds	205	13	149	(102)	-	265
<i>Funds transferred from The Waterways Trust</i>						
Thames Ahead Events	147	-	28	-	(175)	-
Cotswold Appeal	47	-	9	-	(10)	46
Youth Volunteering	26	-	-	(18)	-	8
Lancaster Northern Reaches	21	-	-	(2)	-	19
Birmingham Heartlands	19	-	83	(102)	-	-
Keeping History Afloat	3	-	89	(92)	-	-
Burnley Canal Communities	14	-	18	(29)	-	3
Canal Connections East	-	-	49	(49)	-	-
Fundraising North West	-	-	38	(38)	-	-
Total Group	1,279	-	1,907	(1,571)	(185)	1,430

16 MOVEMENT IN FUNDS (CONTINUED)

Funds are restricted on the basis of activity type, activity within a defined geographical area or on a specific project basis as indicated by the fund name. The funds have been committed to the purpose of the specific appeal or the restricted fund. 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. CRT funds are transferred to the relevant project on completion of the specified works or project outcomes.

Restricted funds with a balance of less than £20,000 are shown in one aggregate total as "Other Specific Project Funds". In 2014/15 there were 84 (2014: 82) 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.

17 ANALYSIS OF NET ASSETS BY FUND

Net assets are analysed between funds as follows:

Group	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 31 March 2015	Total 31 March 2014
	£m	£m	£m	£m	£m
Tangible fixed assets	24.9	-	54.3	79.2	80.4
Investments	9.0	-	634.5	643.5	534.6
Debtors – amounts falling due after one year	-	-	8.6	8.6	-
Net current assets	2.6	1.4	33.5	37.5	74.5
Creditors – amounts falling due after more than one year	(1.9)	-	(13.0)	(14.9)	(17.4)
Provisions	(2.6)	-	(3.1)	(5.7)	(8.1)
Pension liability	(0.3)	-	(87.9)	(88.2)	(68.2)
Total net assets	31.7	1.4	626.9	660.0	595.8

Canal & River Trust	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 31 March 2015	Total 31 March 2014
	£m	£m	£m	£m	£m
Tangible fixed assets	24.9	-	35.5	60.4	61.7
Investments	9.5	-	537.1	546.6	453.2
Debtors – amounts falling due after one year	-	-	8.6	8.6	-
Net current assets	2.5	1.4	19.4	23.3	63.4
Creditors – amounts falling due after more than one year	(2.4)	-	(12.9)	(15.3)	(17.8)
Provisions	(2.7)	-	-	(2.7)	(4.6)
Pension (liability) / asset	(0.3)	-	(1.5)	(1.8)	13.7
Total net assets	31.5	1.4	586.2	619.1	569.6

18 OPERATING LEASE COMMITMENTS

Operating lease agreements where the Group is lessee

The minimum lease payments due in the following year under non-cancellable operating leases are as follows

	Group		Canal & River Trust	
	31 Mar 15	31 Mar 14	31 Mar 15	31 Mar 14
	£m	£m	£m	£m
Leasehold properties				
Length of lease remaining				
Within one year	-	0.1	-	0.1
Within two to five years	0.3	0.1	0.3	0.1
In more than five years	1.0	1.0	0.9	0.9
	1.3	1.2	1.2	1.1

During the period £1.5m (2014 £1.6m) was charged to the SoFA in respect of leasehold property rentals

	Group		Canal & River Trust	
	31 Mar 15	31 Mar 14	31 Mar 15	31 Mar 14
	£m	£m	£m	£m
Leasehold plant and equipment				
Length of lease remaining				
Within one year	0.1	0.6	-	0.6
Within two to five years	1.0	0.4	1.0	0.3
In more than five years	-	-	-	-
	1.1	1.0	1.0	0.9

During the period £1.3m (2014 £1.5m) was charged to the SoFA in respect of leasehold plant and equipment

Operating lease agreements where the Group is lessor

During the period the value of rents receivable in the Group was £40.1m (2014 £34.9m) and was £29.1m (2014 £27.7m) in the Canal & River Trust

19. PENSION AND OTHER POST – RETIREMENT BENEFITS

	Group		Canal & River Trust	
	31 Mar 15	31 Mar 14	31 Mar 15	31 Mar 14
	£m	£m	£m	£m
(a) Pension fund (deficit) / surplus	(87.9)	(67.9)	(1.5)	14.0
(c) Other post-retirement benefits	(0.3)	(0.3)	(0.3)	(0.3)
Employee benefits	(88.2)	(68.2)	(1.8)	13.7

(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"). It remains open to future accrual for employees of the Trust and other participating employers who commenced employment before 1 April 2011, from which date it was closed to new members. From 1 April 2011 onwards all benefits accruing under the Scheme were changed to a career average re-valued earnings basis.

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 2013. As at that date the market value of the Scheme's assets (excluding members' additional voluntary contributions) amounted to £448.4m and the value placed upon the benefits that had accrued to members was £464.2m. The Scheme was therefore £15.8m in deficit and 97% 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. In addition, the Fund's Recovery Plan allows for the full potential payment due in 2031 in respect of this investment, which is not fully valued in the Fund's assets, and so the Fund's Trustees require no further contributions to meet the shortfall.

The contribution rates for future service accrual were reviewed by the Scheme actuary as part of the 2013 triennial valuation and were increased by 2%. This increase was shared between the active members and the employer at 15% (previously 14%) for the employer and 8% (previously 7%) for the employee. These rates took effect from 1 August 2014. CRT operates a salary sacrifice arrangement that enables employees to sacrifice an amount of salary equal to their pension contribution in return for the employer increasing its contribution by the same amount. The majority (95%) of employees are included in the salary sacrifice pension contribution arrangement. The employer contributions reported in these accounts therefore include these additional contributions funded by the employees' salary sacrifice.

The next triennial actuarial valuation will be carried out as at 31 March 2016.

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 for up to 19 years 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 2015 the Scheme received £5.0m of income from the partnership investment.

An accounting judgement has been taken that the Scheme's 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 £87.9m in the Group accounts.

The valuation of the Scheme used for FRS17 Retirement benefits disclosures has been based on the most recent actuarial valuation of the WPF at 31 March 2013 and updated to 31 March 2015 by Barnett Waddingham LLP, professionally qualified Scheme Actuary. 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.

19 PENSION AND OTHER POST – RETIREMENT BENEFITS (CONTINUED)

The key assumptions used are as follows

	31 Mar 15	31 Mar 14
Discount rate	3.4%	4.6%
Long-term expected return on scheme assets	3.4%	5.7%
Rate of increase in salaries	2.0%	3.0%
Rate of increase for majority of pensions in payment and deferred pensions*	2.3%	2.6%
Rate of CPI inflation	2.3%	2.6%
Tax free cash	Members are assumed to take 18% of their pension as tax free cash	Members are assumed to take 18% of their pension as tax free cash
Post retirement mortality assumption	105% of S1PMA (males) 110% of S1PFA (females) CMI 2014 model, long-term rate of improvements 1.25%	105% of S1PMA (males) 110% of S1PFA (females) CMI 2013 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 Mar 15	31 Mar 14
Male currently aged 43	25.5	25.5
Female currently aged 43	27.7	27.6
Male currently aged 63	23.7	23.7
Female currently aged 63	25.7	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 1.8%
Rate of inflation	Increase/decrease by 0.1%	Increase/decrease by 1.4%
Rate of salary growth	Increase/decrease by 0.1%	Increase/decrease by 0.3%
Rate of mortality	Change long-term improvement rate to 1.5% pa	Increase by 1.3%

19. PENSION AND OTHER POST – RETIREMENT BENEFITS (CONTINUED)

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

	Group	
	Year to 31 March 2015	Year to 31 March 2014
	£m	£m
Current service cost	(6 5)	(7 1)
Interest cost	(19 6)	(19 2)
Expected return on assets	21 2	20 4
Amount charged within net incoming resources	(4 9)	(5 9)
Actuarial losses	(25 8)	(13 2)
Amount charged within net movement in funds	(30 7)	(19 1)

Amounts recognised in the balance sheet at 31 March 2015 and the expected rates of return on scheme assets were

	Rates of return		Group		CRT	
	2015	2014	2015	2014	2015	2014
	%	%	£m	£m	£m	£m
Equities	7 0	7 0	169 7	158 2	169 7	158 2
Index linked gilts	3 5	3 0	47 1	53 2	47 1	53 2
Corporate bonds	4 6	4 6	91 6	78 2	91 6	78 2
Property funds	-	-	43 9	35 8	43 9	35 8
Diversified growth funds	7 0	7 0	39 9	20 3	39 9	20 3
Investment in property interest in Canal & River Pension Investments LP	4 6	4 6	-	-	88 9	81 9
Other growth assets	7 0	7 0	7 0	10 8	7 0	10 8
Cash	2 6	2 6	9 7	5 4	7 2	5 4
Total fair value of assets			408 9	361 9	495 3	443 8
Present value of scheme liabilities			(496 8)	(429 8)	(496 8)	(429 8)
(Deficit) / surplus in the scheme			(87 9)	(67 9)	(1 5)	14 0

The actual return on the Scheme's assets during the period was a £51 7m gain (2014 £5 1m gain) for the Group and a £56 2m gain (2014 £1 6m loss) for the Trust

FRS17 requires all Scheme assets to be valued at fair value for accounting purposes. As at 31 March 2015, the fair value of the Scheme's investment in the partnership was £88 9m (2014 £81 9m). The valuation assumptions required for accounting purposes, under FRS17 differ from the assumptions used for the Scheme's technical provisions funding assumptions, and as a result, under FRS17, the Scheme valuation showed a surplus position at 31 March 2014.

Under the terms of the partnership agreement and the Scheme Trust Deed, the Trust is unable to recover any surplus that may arise on the Scheme through a refund from the Scheme.

19 PENSION AND OTHER POST – RETIREMENT BENEFITS (CONTINUED)

Changes in scheme assets

	Group		CRT	
	2014/15	2013/14	2014/15	2013/14
	£m	£m	£m	£m
At 1 April	361 9	362 3	443 8	422 2
Expected return on scheme assets	21 2	20 4	25 2	24 5
Principal employer contributions	10 7	10 6	10 7	10 6
Member contributions	0 1	0 1	0 1	0 1
Benefits paid and expenses	(15 5)	(16 2)	(15 5)	(16 2)
Actuarial gain / (loss)	30 5	(15 3)	31 0	2 6
At 31 March	408 9	361 9	495 3	443 8

Changes in scheme liabilities

	Group & CRT	
	2014/15	2013/14
	£m	£m
At 1 April	(429 8)	(421 7)
Current service cost	(6 5)	(7 1)
Current service costs funded by member contributions	(0 1)	(0 1)
Interest cost	(19 6)	(19 2)
Benefits paid and expenses	15 5	16 2
Actuarial (loss) / gain	(56 3)	2 1
At 31 March	(496 8)	(429 8)

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

	Group		CRT	
	2014/15	2013/14	2014/15	2013/14
	£m	£m	£m	£m
At 1 April	(67 9)	(59 4)	14 0	0 5
Expenses recognised in SoFA	(4 9)	(5 9)	(0 9)	(1 8)
Contributions	10 7	10 6	10 7	10 6
Actuarial (loss) / gain recognised in SoFA	(25 8)	(13 2)	(25 3)	4 7
At 31 March	(87 9)	(67 9)	(1 5)	14 0

History of experience gains and losses

	Group			CRT		
	2014/15	2013/14	2012/13	2014/15	2013/14	2012/13
	£m	£m	£m	£m	£m	£m
Present value of defined benefit obligation	(496 8)	(429 8)	(421 7)	(496 8)	(429 8)	(421 7)
Fair value of scheme assets	408 9	361 9	362 3	495 3	443 8	422 2
(Deficit) / surplus	(87 9)	(67 9)	(59 4)	(1 5)	14 0	0 5
Experience losses on scheme liabilities	3 3	(0 8)	(1 2)	3 3	(0 8)	(1 2)
Changes in assumptions used to value scheme liabilities	(59 6)	2 9	(19 4)	(59 6)	2 9	(19 4)
Experience adjustments on scheme assets	30 5	(15 3)	23 7	31 0	2 6	(26 4)

19 PENSION AND OTHER POST – RETIREMENT BENEFITS (CONTINUED)

(b) Defined contribution pension plan

The Trust operates a defined contribution pension plan with Standard Life for employees that commenced employment after 31 March 2011. 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 is disclosed in note 5 in these accounts. There were no material amounts owing or prepaid at 31 March 2015.

(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 192 (2014: 190) 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 2015 by independent qualified actuaries using discount rates consistent with those required for pension liabilities under FRS17.

Movement in provision during the period	Group & CRT	
	2014/15	2013/14
	£m	£m
Provision at 1 April	(0.26)	(0.22)
Expenses recognised in SoFA	(0.01)	(0.01)
Contributions	0.03	0.03
Actuarial loss recognised in SoFA	-	(0.06)
Provision at 31 March	(0.24)	(0.26)

20 CAPITAL COMMITMENTS

Capital expenditure for which the Trust had contracted at 31 March 2015 was £0.5m (2014: £0.7m) of which £nil (2014: £nil) is in respect of future expenditure for the purchase, construction, development and enhancement of investment property. These commitments fall due within one year.

The Trust's share of capital commitments arising within joint ventures and subsidiaries, which had been contracted at 31 March 2015 was £0.02m (2014: £nil).

21 CONTINGENT LIABILITIES

Contingent liabilities arising from third party claims, valued at £0.4m (2014: £0.6m), are not included in the balance sheet as it is not considered likely that the amounts will fall due for payment.

22. RELATED PARTY TRANSACTIONS

The Trust has considered the disclosure requirements of the SORP for charities and FRS8 *Related Party Disclosures* and believes that the following related party transactions, all of which were made on an arm's length basis, required disclosure.

During the year Partners Capital LLP ("Partners") were appointed as the Trust's discretionary fund managers with the aim of achieving a level of return agreed by the Investment Committee given the Trust's risk appetite. Partners operated independently within the Trust's agreed investment guidelines.

22 RELATED PARTY TRANSACTIONS (CONTINUED)

As a result certain investments were made into funds which are connected with Clearbell Capital LLP ("Clearbell"), a firm in which Manish Chande (a Trustee and Chair of the Investment Committee) is a partner. Clearbell indirectly provided the following investment and asset management services:

	Investment fund and relationship	Investment made during 2014/15	Investment value at 31 March 2015	Fees earned in 2014/15	Beneficiary
Asset management	Partners Capital Master Portfolio C invested into CP Real Estate Fund	£0.7m	£0.7m	£1,400 For the period from 19/12/14 (thereof accrued NIL)	CP 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 a fund managed by Clearbell Capital LLP	£0.8m	£0.8m (Partners have committed a further £0.8m on the Trust's behalf to Project Monza but this payment has not yet been requested from funds already placed with Partners)	£2,000 For the period from 1/7/14 (thereof accrued NIL)	Project Monza

Related party transactions of the above nature are permitted under Article 4.4.3 of the Trust's Articles. The Board were not informed by Partners Capital, our discretionary fund manager, that aggregated funds in which they had invested on behalf of the Trust had made an investment into these two funds with a connection to Clearbell. The Board became aware of these transactions in May 2015, formally noted them at its meeting on the 18 June 2015 and agreed 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.

Simon Thurley, a trustee, was Chief Executive of English Heritage throughout the year. During the year the Trust received contributions totalling £7,392 from English Heritage towards waterways heritage projects.

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

In accordance with FRS8, transactions entered into between the Trust and its wholly subsidiaries are not disclosed. Further details on our subsidiaries can be found in note 11 to these accounts.

	Amount receivable during the period to 31 March 2015	Amount receivable / (payable) at 31 March 2015
Transactions with joint ventures	£m	£m
Property sales and investment activity with joint ventures	1.4	0.8
Other significant transactions with joint ventures	0.3	0.1
	1.7	0.9

The table above excludes capital and loan investments in joint ventures which are detailed in note 11 in these accounts.

GLOSSARY OF FINANCIAL, WATERWAY AND FUND TERMS

Term	Where used	Explanation
Accommodation bridge	Assets	Bridge constructed to provide access across the waterway, feeder or river for an adjacent landowner or to maintain a Right of Way. Such bridges will not be carrying a public road or a towpath.
British Waterways Board (BW)	Trustees' report, accounts	A public corporation established by the Transport Act 1962 to manage the inland waterways. The activities in England & Wales were transferred to the Trust on 2 July 2012.
BWML	Incoming resources	British Waterways Marinas Limited – a wholly owned subsidiary of the Trust managing 20 marinas across the UK.
Charities SORP	Accounts	<i>Accounting and Reporting by Charities: Statement of Recommended Practice Charities SORP 2005</i> – the UK accounting standard for charities.
Culvert	Assets	A tubular, box, piped or arched structure that carries a waterway or feeder over an obstruction (typically a small watercourse).
Defra	Trustees' report, accounts	Department for Environment, Food and Rural Affairs. Provides grant funding to the Trust.
Designated funds	Funds	Funds allocated by the Trustees for particular purposes.
Embankment	Assets	A major embankment is a constructed earth structure where surrounding natural ground level is at least 3m below water level for a continuous length of at least 200m, or greater than 6m at any point.
Feeder	Assets	Natural and man-made water channels supplying water to canals and rivers.
General fund	Funds	This is the working fund of the Trust. It pays for the waterway maintenance and repairs, day to day operations and national support and service teams.
Grant Funding Agreement with Defra	Trustees' report, funds	Grant Funding Agreement between the Trust and Defra dated 28 June 2012 that facilitated the BW transfer to the Trust. The agreement provides funding towards the Trust's activities.
Heritage assets	Assets	These are assets that are held for historical, artistic, scientific, technological, geophysical or environmental qualities and are held and maintained principally for their contribution to knowledge and culture.
Lock	Assets	Structure designed to raise/lower boats on a waterway by operation of lock gates. May be found singly or in flights. In a staircase flight the top gates of one lock form the bottom gates of another.
Museums & attractions	Accounts	The Trust operates museums in Gloucester, Ellesmere Port and Stoke Bruerne as well as visitor centres at the Anderton Boat Lift and Standedge Tunnel.
Protected endowment funds	Funds	These are restricted funds for the net assets acquired from BW by Statutory Transfer as at 2 July 2012 that are within the Protected Endowment as defined in the Defra Grant Funding Agreement.
Pumping station	Assets	A facility designed to pump water to or from the waterway.

Term	Where used	Explanation
Sluice	Assets	A valve mechanism to allow drainage of a waterway or flood control on a river
Statutory transfer	Trustees' report, accounts	The British Waterways Board (Transfer of Functions) Order 2012
Stop/Safety/Flood Gates	Assets	Gate spanning waterway or river, that exist for emergency retention of water or to protect property from flooding, including tidal fluctuations
Towpath/turnover bridge	Assets	A bridge carrying the towpath from one side of the waterway or feeder to the other
Triennial actuarial valuation	Pensions	The three-yearly valuation of our pension scheme by a qualified actuary
Unrestricted	Funds	Unrestricted funds are expendable at the discretion of the Trustees
Waterways Infrastructure Trust	Trustees' Report, assets	All the waterway assets and structures that comprise the waterways, towpaths and associated structures are held by the Trust as trustee in this perpetual trust. The objects of this Trust are to hold, operate and manage the waterway infrastructure property for public benefit and to use the income from the property to fund the cost of the Trust's objects
Weir	Asset	Weir whose purpose is to convey surplus water away from the canal. A weir on a river navigation is used to create and maintain an adequate depth of water for navigation

Trustees, Council, Waterways Partnerships and Advisory Group Members

Lynne Berry OBE

Currently chair of the Commission to the Voluntary Sector and 'Ageing and Breast Cancer Now, Lynne is founder of Public Benefit, an associate of Civil Exchange and a non-executive director of Cambridge University Hospitals Foundation Trust. Lynne is a Professor at CASS Business School, City University London and has held a number of chief executive posts and served on many Government bodies including the Office of Civil Society Advisory Board and several Better Regulation Taskforces.

John Bridgeman CBE TD DL

Former British Waterways board member and vice-chairman of the board. John has held a number of chief executive posts and was Director General of Fair Trading and a member of the Monopolies and Mergers Commission. John is currently Regulator Director and was a pensions trustee of the British Horseracing Authority, chair of the Audit and Standards Committee of Warwickshire County Council, independent Complaints Commissioner for the Direct Marketing Authority, an independent consultant in Corporate Strategy, Competition Policy and Consumer Affairs and a longstanding Trustee of a number of Oxfordshire Charities.

Manish Chande

Manish has been in the real estate business for nearly thirty years and is Senior Partner of Clearbell Capital LLP, a private real estate group. Previous posts include board member of Land Securities plc, chief executive of Trillium, a company he co-founded, and chief executive at Imry Merchant Developers. Manish originally trained as a Chartered Accountant and is a member of the Institute of Chartered Accountants in England & Wales and a Fellow of the Royal Institute of Chartered Surveyors. Manish has also been a trustee of English Heritage and The London Clinic.

Jane Cotton

Jane was human resources director and deputy chief executive of Oxfam for 15 years until end December 2014. Prior to this, she worked in Departments of Transport and Environment in both policy and human resources roles and held resources director posts at the Charity Commission and the Department of Environment, Transport and the Regions. In addition to her Trustee role at Canal and River Trust she is now a Trustee of WWF UK and a member of the Alumni Advisory Board of Cambridge University.

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 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.

Frances Done

Formerly chair of the Youth Justice Board for England and Wales, Frances has held a number of chief executive posts including at Rochdale Metropolitan Borough Council and Manchester 2002 (the company responsible for organising Manchester Commonwealth Games). Frances was also managing director for Local Government,

Housing and Criminal Justice at the Audit Commission and interim Director General of the Royal British Legion. A keen boater, Frances was also chair of The Waterways Trust from 2003 – 2012.

Tom Franklin

Tom is chief executive of Think Global. Previously he was chief executive of the Ramblers and of Living Streets. Tom also spent twelve years as a local authority councillor, including a period as council leader and was a member of the Independent Panel on the future direction of forestry and woodland policy in England.

Ben Gordon

Ben is a non-executive director of Britvic Plc and of 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'Oréal SA in the UK, USA and France. Ben has an MBA from INSEAD and is a Member of the Institution of Civil Engineers.

Tony Hales CBE (chair)

Formerly chairman of British Waterways, Tony is also chair of the Old Royal Naval College, Greenwich and non-executive director of Capital and Regional plc and chairman of NAAFI Pension Fund Trustees. Previous posts include chairman of Workspace Group plc, chief executive of Allied Domecq, a non-executive director of HSBC Bank plc, Welsh Water plc and Aston Villa plc, and chairman of NAAFI. He is trustee of Welsh National Opera and of Services Sound and Vision Corporation.

Allan Leighton

Formerly CEO of Asda Plc and chair of the Royal Mail, Allan holds a number of non-executive chairmanships including The Co-op, Matalan, Entertainment One Plc, Pace Plc, Office Ltd and is deputy chairman at Pandora AS. He was also chair of Race for Opportunity and 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 University of Lancashire. He is also patron of Breast Cancer Care.

Simon Thurley

Simon 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.

Steve Shine OBE

Steve is chairman of a number of businesses, including Anesco Ltd and Solar Ltd, he is also a member of Veolia's advisory Board, recently been the interim CEO of Veolia Water. Steve was previously Thames Water's chief operating officer and member of the Main Board from 2007–2012. Previous roles include managing director of London Electricity Contracting, a member of the Executive Board of London Electricity (Later EDF) and managing director of 24Seven, a joint venture he helped form between Eastern Electricity and London Electricity. Steve was also CEO of SGB UK. He was awarded the OBE by the Queen for services to industry in 2011.

Council (as at 31 March 2015)

In addition to the members listed below, the twelve Partnership chairs also sit on Council

Nominating organisations

David Kent	The Angling Trust
Paul Owen	British Canoeing
Charles Trotman	Country Land & Business Association
John Yates	Institute of Historic Building Conservation
Cllr Jim Harker	Local Government Association
Peter Brown	Railway & Canal Historical Society
David Gibson	Ramblers
Rafid Al Khaddar	Society for the Environment
Martyn Brunt	Sustrans
Mike Palmer	Waterway Recovery Group
Alison Ward	Welsh Local Government
Paul Wilkinson	The Wildlife Trusts

Co-Opted

Peter Hugman
Chloe Donovan

Elected

Ivor Caplan	Private Boating
Ann Farrell	Private Boating
Clive Henderson	Private Boating
Vaughan Welch	Private Boating
Anthony Matts	Business Boating
Nigel Stevens	Business Boating
Chris Bailey	Employee Representative

Partnerships (as at 31 March 2015)

All Wales	Mark Lang (Chair)
	David Collins
	Donna Coyle
	Andrew Dakin
	Ruth Hall
	David Swallow
	Russell Todd
Central Shires	Charlotte Atkins (Chair)
	Will Chapman
	Brian Hull
	Beryl McDowall
	Andy Oughton
	Geoff Reynolds
	Ian Wykes
East Midlands	Danny Brennan (Chair)
	Matthew Easter
	Valerie Holt
	Chris Page
	David Pullen
	Shirley Rogers
	Robin Stonebridge
	Amanda Turner
	Andy Wilkinson
	Glyn Williams
	Katherine Wilson
Kennet & Avon	Tamsin Phipps (Chair)
	Rob Dean
	Emma Fearnley
	Terry Fell
	John Inman
	Alistair Milington
	Ken Oliver
	Richard Watson
London	Sir Brian Fender (Chair)
	Judith Adams
	Terry Ariss
	Sacha Austin
	Angela Clarke
	Jim Crooks
	Tobias Geover
	Roger James
	Beth Kennedy
	Michael Polledri
	Geraldene Wharton
	Ray Whitehouse

Manchester & Pennine	Walter Menzies (Chair)
	Tayo Adebowale
	Ian Banks
	Keith Barnes
	Graham Birch
	Ray Butler
	Chris Findley
	Julian Holder
	Kate Hughes
	Keith Sexton
	Nigel Stevens
	Jon Stopp
	Iain Taylor
North East	Mark Penny (Chair)
	Jeannie Beadle
	Eric Bootland
	Hilary Brooke
	Geraint Coles
	Chris Hawkesworth
	Jon Kendall
	Emily Lindsay
	David Lowe
	Trevor Roberts
	Peter Scott
North Wales & Borders	Brenda Harvey (Chair)
	Campbell Boyle
	Mike Carter
	Sue Cawson
	Belinda Daenport
	Gillian Edwards
	Chris Koral
	Sara Mogel
	Alan Platt
	Nicola Said
	Barry Stamp
	John Yates
North West	Bob Pointing (Chair)
	Richard Atkinson
	Peter Jordan
	Mike Macklin
	Nick Mead
	Peter Rowlinson
	Audrey Smith
	Barbara Trencher
	Tim Webber
	Lesley Woodbridge

South East	John Best (Chair)
	Ken Attack
	David Cook
	Ann Davies
	Kathryn Dodington
	Cath Fincher
	Lynda Payton
	Dick Pilkinton
South Wales & Severn	Chris Stanley
	Andrew Taylor
	David Hagg (Chair)
	Julian Atkins
	Lois Frances
	Edward Helps
	Phil Hughes
	Alasdair Kirkpatrick
West Midlands	Robert Moreland
	David Wheeler
	Peter Mathews CMG (Chair)
	Phil Bateman
	Stephen Burt
	Ivor Caplan
	Karen Creavin
	Len Cresswell
	Nick Crombie
	Graham Fisher
	Yvonne Gilligan
	Ben Seal
	Laura Shoaf
	Vaughan Welch
	Neil Wyatt

Advisory Groups (as at 31 March 2015)

Arts on the Waterways	Jonathan Watkins (Chair)
	Ian Banks
	Tamsin Dillon
	Claire Doherty
	Mark Dunhill
	Deirdre Figueiredo
	Manick Govinder
	Keith Khan
	Marianne McNamara
	Judith Palmer
	Megan Piper
	Lleucu Siencyn
	Tracy Warr
	Sarah Weir
Environmental	Bruce Lascelles
	Allison Crofts
	Rob Jarman
	Mike Dobson
	Colin Fenn
	Arlin Rickard
	Rob Cunningham
Freight	Rafid Al Khaddar
	David Quarmby (Chair)
	David Lowe
	Heather McLaughlin
	Ian Wainwright
	James Hookham
	Mark Grimshaw-Smith
Heritage	Mike Garratt
	Sir Neil Cossons (Chair)
	Alan Baxter
	Edward Holland
	Jane Kennedy
	John Yates
	Laurence Newman
	Peter Brown
	Stephen Hughes
	David Kent (Chair)
National Angling	Dave Turner
	Dick Pilkinton
	Eric Bootland
	Glyn Williams
	John Castle
	Peter Fieldhouse
	Rod Bracey
	Terry Wright
	Tony Campbell

Navigation	Michael Carter (Chair)
	Sue Cawson
	John Baylis
	David Fletcher
	Ian Harrison
	Malcom Blundell
	Kevin East
	Tamsin Phipps
	Vaughan Welch
	David Gibson
Moorings/Licensing	Martyn Brunt
	Mike Annan (Chair)
	Paul Le Blique
	Beryl McDowall
	Timothy Nelson Parker
	Mark Walton
	Clive Henderson
	Ann Farrell
	Justin Davis-Smith (Chair)
	Chris Kay
Volunteering	Gennie Franklin
	Georgia Boon
	Mike Palmer
	Rosie Cotgreave
	Helen Trimbrell
	Jon Stopp
	Chloe Donovan (Chair)
	Gillian Bolt
	Jon Boagey
	Danny Brennan
Youth Engagement	Sarah Edwards
	Prof Nicholas Gair
	David Clark

Gifts & donations

We are very grateful to the thousands of dedicated volunteers, scout groups, youth groups, canal societies, clubs and organisations that we have worked with over the year. These unpaid hours have helped to make our work possible. Thank you also to everyone who has joined us as a Friend of the Trust and the following individuals and organisations for their invaluable contributions and funding.

Individuals £2,000 – £4,999

Ms Lara Atkin

Ms Sheila Cook

Miss Viv Davies

Mr Michael Barrow

Mr Steve Bougourd

Mrs Denise McColl

Mrs Joanne Collie

Mrs Marie Ostovar

Mrs Penelope Parker

Mrs Sandra Seal

Ms Amanda Carton

Ms Helen Gooding

Ms Helen Tomkins

Mr Robert McNee

Individuals £5,000+

The Desmond Foundation

Mr Tony Hales

Mr Ty Comfort

Mr David Alderslade

Dr Philippa Moreton

Charitable trusts

The Barton Trust

Clark Bradbury Charitable Trust

Esmée Fairbairn Foundation

Garfield Weston Foundation

The Langtree Trust

The Michael Davies Charitable Settlement

The Radcliffe Trust

The Ratcliff Foundation

The Richard Rogers Charitable Settlement

The Rogers Stirk Harbour & Partners
Charitable Foundation

The Rowlands Trust

The Summerfield Charitable Trust

The Thousandth Man – Richard Burns
Charitable Trust

Tower Hill Trust

The Wilmcote Charitrust

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

Aim – Association of Independent Museums

Albert Dock Company Ltd

Arts Council England

Aylesbury Vale District Council

Berkhamstead Town Council

Big Lottery Fund

Birmingham City Council

Blackburn With Darwen Borough Council

Buckinghamshire Community

Burnley Borough Council

Calderdale Metropolitan Borough

Cheshire East Council

Cheshire West & Chester Council

Countryside Council For Wales

Countryside Neptune LLP

Coventry City Council

CTC

Dacorum Borough Council

Department for Communities & Local
Government

Derbyshire Environmental Trust Ltd

Downing Property Services Ltd

Dudley M B C

English Heritage

Environment Agency

Fairbriar Developments (Salford)

Gemeente Eindhoven

Groupement D'interet Public

Harlow Health Centres Trust

Heritage Lottery Fund

Heritage Lottery Fund South West

Hertfordshire County Council

INTERREG IVB NWE

IWA Lancashire & Cumbria Branch

Kier MG Ltd

Lancashire Environment Fund

Liverpool Vision Ltd

London Borough Of Brent

London Legacy

Manchester City Council	Town Council of Todmorden	Gailford Try
Milton Keynes Council	Transport for Greater Manchester	Google
Natural England	Transport for London	Hyder Consulting
Natural Resources Wales	Veolia Environmental Trust	Kier
Northamptonshire County Council	Visit Wales	Mace Construction
Ops North Wales & Borders Waterway	Voies Navigables de France	Marks and Spencer
Ops North West Waterway	Ward Hadaway Solicitors	McDonalds (Enfield)
Oxford City Council	Waterrecreatie Nederland	NEC3
Peel Land & Property (Ports No 3) Ltd	Welsh Office H Ways Directorate	North Midlands Construction
Pocklington Canal Amenity Society	West Berkshire District Council	OCS
Powys County Council	West Lancs Dist Council	Players of People's Postcode Lottery
Province de Hainaut	West Yorkshire Combined Authority	River Canal Rescue
Provincie West-Vlaanderen	Wiltshire Council	Salesforce Foundation
Rochdale Metro Borough Council	Wolverhampton City Council	Sport England
Royal London Mutual Ins Soc Ltd	Worcestershire County Council	Thwaites Brewery
Savills (UK) Limited	Wrexham County Borough Council	United Utilities
Sefton Metro Borough Council	We are delighted to have received support from the following companies	Yorkshire Water
Severn Rivers Trust	Bank of America Merrill Lynch	
SITA Kirklees	Barclays	
Somerset County Council	Bloomberg	
South Kesteven District Council	British Land	
South Lakeland District Council	Brother International	
Staffordshire Wildlife Trust	BNY Mellon	
Sustrans	CGI	
The Inland Waterways Association	CPC Civils	
The Santbury Trust	Drifters	
The Waterways Trust Scotland	Express Group	
The Wildlife Trust for Birmingham	Fountains	
Tipperary County Council	FMC	

Patron

HRH The Prince of Wales

Chairman

Tony Hales

Deputy Chairman

Lynne Berry

Executive Team

Richard Parry, Chief Executive
Stuart Mills, Property Director
Vince Moran, Operations & Asset Management Director
Philip Ridal, Finance Director and Company Secretary
Simon Salem, Marketing & Fundraising Director

Nigel Cadman, Head of HR (from September 2014)
Heather Clarke, Head of Strategy & Planning (from July 2014)
Jackie Lewis, General Counsel
Ian Rogers, Head of Customer Services (from February 2015)

The Trust's Advisors

Bankers

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

Independent auditors

Grant Thornton UK LLP
No 1 Whitehall Riverside
Leeds
West Yorkshire
LS1 4BN

Picture credits

P17 Sonia Rolt – Harry Arnold

P31 Arts on the waterways in Wales – Tom Maloney



2014-2015

Trustees' Annual Report & Accounts 2014/15



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The Canal & River Trust is a charitable company limited by guarantee registered in England & Wales with company number 7807276 and charity number 1146792.

All information correct at the time of printing.

Cover Image:



Companies House

COMPANY NAME: CANAL & RIVER TRUST
COMPANY NUMBER: 07807276

**Information was administratively removed from the accounts on 28/09/2015
as it contained unnecessary material**