

# THE INLAND WATERWAYS ASSOCIATION

England & Wales · Charity number 212342

## Details

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Other names	THE INLAND WATERWAYS ASSOCIATION LIMITED, WATERWAY RECOVERY GROUP
Status	Registered
Legal form	Charitable company
Company number	<a href="#">00612245</a>
Registered	1962-12-17
Register	<a href="#">View on the Charity Commission register</a>

## Contact

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**Address** The Inland Waterways Association  
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HP4 1EF

**Phone** 01494783453

**Email** [iwa@waterways.org.uk](mailto:iwa@waterways.org.uk)

**Website** [www.waterways.org.uk](http://www.waterways.org.uk)

## Activities

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**Objects:** FOR THE PUBLIC BENEFIT TO ADVOCATE USE, MAINTENANCE AND DEVELOPMENT OF THE INLAND WATERWAYS OF THE BRITISH ISLES THE WORKS RELATING THERETO AND ANY CRAFT OR BUILDINGS OR STRUCTURES NOW OR PREVIOUSLY ASSOCIATED THERewith, TO ADVOCATE AND PROMOTE THE RESTORATION AND THE MAINTENANCE IN GOOD CONDITION OF SUCH WATERWAYS AND ASSOCIATED CRAFT AND BUILDINGS AND STRUCTURES AND ADVOCATE AND PROMOTE THEIR FULLEST USE FOR APPROPRIATE COMMERCIAL AND RECREATIONAL PURPOSES TO EDUCATE THE PUBLIC AND OTHER BODIES ABOUT THE USE AND BENEFITS OF SUCH WATERWAYS WHETHER BY THE PRODUCTION OF LEAFLETS, MAGAZINES, THE CONDUCT OF SEMINARS OR WORKSHOPS OR SUCH OTHER MEANS AS THE ASSOCIATION MAY FROM TIME TO TIME DETERMINE TO PROMOTE AND COMMISSION RESEARCH INTO INLAND WATERWAYS AND PUBLICATION OF THE RESULTS OF SUCH RESEARCH

**Activities:** Activities to achieve a widely appreciated and well maintained network of inland waterways available for the benefit of all. We are the only national charity that campaigns locally and nationally for all the

country's canals and river navigations.

## Classification

- **How:** Makes Grants To Organisations, Provides Human Resources, Provides Services, Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body
- **What:** Education/training, Arts/culture/heritage/science, Amateur Sport, Environment/conservation/heritage, Recreation
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

## Geography

- Scotland
- Throughout England And Wales

## Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,818,463	£1,537,395	£2,664,188	34
2023-12-31	£1,890,454	£1,808,219	£2,367,331	46
2022-12-31	£1,645,622	£1,883,087	£2,239,194	61
2021-12-31	£1,770,221	£1,743,480	£2,658,408	45
2020-12-31	£1,409,909	£1,723,186	£2,542,382	40

## Trustees

Name	Role	Appointed
Colin Howard Porter		2024-08-19
David Chapman		2019-09-28
Dr Ian Christopher Redmond Sesnan		2024-07-06
Hannah Rigley		2021-09-25
Michael John Wills		2022-09-24
Paul Strudwick		2023-09-23
Peter John Court Marlow		2023-09-23
Rt Hon Sir Robert James Atkins		2017-04-03

**THE INLAND WATERWAYS ASSOCIATION**

England & Wales - Charity number 212342

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# Accounts

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Company number: 00612245

Charity number: 212342

# The Inland Waterways Association

Report and financial statements

For the year ended 31 December 2024



**INLAND  
WATERWAYS**  
ASSOCIATION

# The Inland Waterways Association

## Contents

### For the year ended 31 December 2024

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Reference and administrative information.....	1
Trustees' annual report .....	3
Independent auditor's report.....	19
Statement of financial activities (incorporating an income and expenditure account) .....	24
Balance sheet.....	25
Statement of cash flows .....	26
Notes to the financial statements.....	27

# The Inland Waterways Association

## Reference and administrative information

For the year ended 31 December 2024

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**Company number** 00612245  
**Country of incorporation** United Kingdom

**Charity number** 212342  
**Country of registration** England & Wales

### Registered office and operational address

The Inland Waterways Association  
Unit 16b Chiltern Court  
Asheridge Road  
Chesham  
HP5 2PX

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

Rt Hon Sir Robert Atkins  
Richard Barnes  
David Chapman  
Claire (Charlie) Norman (until October 2024)  
Susan O'Hare  
Hannah Rigley nee Sterritt  
Michael Wills  
Nicholas Dybeck (until May 2024)  
Stuart Craig  
Peter Marlow  
Paul Strudwick  
Thomas White (until February 2024)  
Paul Lynam (from February 2024 to May 2024)  
Ian Sesnan (from July 2024)  
Christl Hughes (from August 2024)  
Colin Porter (from August 2024)

**Company Secretary** Vedyamala Reddy (until May 2024)  
Neil Edwards (from May 2024)

**Key management personnel** Charlie Norman Campaigns & Public Affairs Director (from October 2024)  
Tracy Higgin Administration Manager  
Vedyamala Reddy Finance Manager (until May 2024)  
David Smart General Manager, Essex Waterways Ltd (until March 2025)

## The Inland Waterways Association

### Reference and administrative information

For the year ended 31 December 2024

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<b>Bankers</b>	Barclays Bank PLC 1 Churchill Place London E14 5HP
<b>Financial Advisers</b> (from May 2024)	KLB Financial Management Ltd Suite 116, Kingsway House Caldwell Road Widnes WA8 7GD
<b>Investment Advisers</b>	Quilter Cheviot Senator House 85 Queen Victoria Street London EC4V 4AB
<b>Auditor</b>	Sayer Vincent LLP Chartered Accountants and Statutory Auditor 110 Golden Lane London EC1Y 0TG

The trustees present their report and the audited financial statements for the year ended 31 December 2024.

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

## **Objectives and Activities**

### **Purposes and aims**

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

The objects for which the Association is established are:

For the public benefit to advocate the conservation, use, maintenance and development of the inland waterways of the British Isles, the works relating thereto and any craft or buildings or structures now or previously associated therewith, to advocate and promote the restoration and the maintenance in good condition of such waterways and associated craft and buildings and structures and advocate and promote their fullest use for appropriate commercial and recreational purposes.

To educate the public and other bodies about the use and benefits of such waterways whether by the production of leaflets, magazines, the conduct of seminars or workshops or such other means as the Association may from time to time determine.

To promote and commission research into inland waterways and publication of the results of such research.

### **Who we are**

The Inland Waterways Association (IWA) is a charity governed and run by volunteers and supported by a small team of employees. We are the only independent, national charity dedicated to supporting and regenerating Britain's navigable rivers and canals as places for leisure, living and business. We believe that the nation's waterways and surrounding environments are for everyone to enjoy, and we both campaign and take direct action to protect their continued existence.

IWA is a membership organisation comprising both individual and corporate members. The former includes waterways experts, enthusiasts and members of the public, and the latter include waterways-related businesses, and non-profit-making organisations interested in restoration,

regeneration and the well-being of the inland waterways. We are an association in the true sense of the word and by joining IWA our members help support and regenerate the nation's waterways, for the benefit of all, both now and into the future.

### **Why we exist**

The Inland Waterways Association was founded in 1946 in response to the very real risk that continued neglect of our historic waterways network would see a precious national asset lost forever.

It is possible to walk or boat along many waterways now because of the tireless campaigning work of IWA and its volunteers over the last 79 years. Over 500 miles of derelict waterways have been brought back to life through the work of IWA, its Waterway Recovery Group and restoration groups. But however well maintained they may appear, our waterways continue to remain under considerable threat – from urban development, inadequate funding, lack of protection, loss of skills and knowledge, over-commercialisation and climate change.

### **How we operate**

Britain's waterways form a vast, open-air network of working canals and navigable rivers, connecting city and countryside, alive with leisure boats, paddlers, anglers, cyclists, and walkers and are enjoyed by millions. IWA provides ongoing protection to this network, as well as supporting the regeneration of a further 500 miles of currently derelict waterways.

The canals and rivers of England, Wales and Scotland are managed and maintained by a variety of navigation authorities and land managers. IWA works closely with these bodies to influence policy and decision-making, whilst constructively challenging them to work in the best interest of the waterways and public benefit.

We also work with a wide range of national and local authorities, voluntary, charitable, private and public sector organisations. In 2005, IWA's former subsidiary company, Essex Waterways Ltd (EWL), became a navigation authority itself when it took over management of the Chelmer & Blackwater Navigation. The waterway is now run on a not-for-profit basis, and it is a thriving asset for the benefit of the local community. At the end of March 2025 ownership of Essex Waterways Ltd was transferred to a new charity, Essex Waterways Navigation Trust. The charitable activities of EWL were then transferred to the Navigation Trust. This will simplify IWA's accounting, streamline fundraising and reduce administrative costs, helping to attract more donations and legacies. Any funding received from EWL has always been designated and spent by the IWA on supporting EWL activities and it has never therefore provided an income stream for IWA itself. Despite this, the disposal of EWL will have an impact on IWA's balance sheet for the 2025 accounts and has been disclosed in Note 17 of the annual accounts.

IWA actively encourages waterways restoration, providing advice, guidance and hands-on, practical support to local restoration groups. Our Restoration Hub champions waterways restoration and provides supporters with access to the collective knowledge and skills of IWA's active volunteer base and staff, including planning, heritage and engineering professionals. IWA's Waterway Recovery

## The Inland Waterways Association

### Trustees' Annual Report

For the year ended 31 December 2024

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Group, which is well-known in the sector and has a long-established reputation of practical waterway regeneration, organises a yearly programme of highly popular, week-long waterway restoration holidays, and training for volunteers around the country. It also carries out work parties on many weekends through regional groups.

IWA's work is carried out by a small, dedicated staff team based in Chesham and an active, committed and valued network of volunteers. This includes our local branches, who organise work parties, hold events, monitor and challenge planning applications that might be detrimental to the waterways, arrange waterside walks and tours, and liaise with a range of local organisations with common interests. IWA also benefits from advisory and operational groups, who work at a national level to support and implement our strategic objectives.

IWA relies on the support of our members, donors and volunteers, as well as income from grant-making bodies and commercial activities to make our waterways better. Membership income is put towards IWA's campaigning and restoration expenditure and covers 47% of total expenditure excluding fundraising costs; the remainder is covered by donations, gifts in wills, grants, trading activities and income from IWA's investments.

### What we aim to achieve

#### High-Level Strategic Objectives, 2022–2027

In 2022, the Board completed a major review of the Association's High-Level Strategic Objectives, and these were formally accepted in January 2023. They were reviewed and simplified by the Board in April 2025 and are now:

- To campaign for the protection and regeneration of inland waterways for everyone to enjoy.
- To support the transformation of previously navigable waterways into places for leisure, living and business.
- To establish waterways as an environmental asset and foreground this in our campaigning as part of the response to localised climate change.

These High-Level Strategic Objectives will focus our efforts, enable better decision-making around our key activities and priorities, and allow us to communicate our ambitions in a clear way across the organisation and to external stakeholders.

### Statement of Public Benefit

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

## Achievements and performance

### Restoration Activities

2024 was a year of development and transition for waterways restoration with numerous significant successes, but also enormous difficulties. Over the decades both the costs of restoration and compliance requirements have grown but the voluntary and financial resources do not grow accordingly. Thanks are due to the Restoration Hub High Level Panel even though it was less active in 2024 due to personnel changes. An expert group of panel members reviewed the challenges facing the sector and highlighted ways forward for the IWA to build its ability to better support restoration societies. Most importantly this needs to involve brokering and enabling restoration societies to help each other. Much work in 2024 has been on identifying how the IWA can increase its capacity to catalyse the movement as a whole. The Restoration Hub continued to be a valued open resource, freely available to all seeking advice and resources. The Hub also welcomes resources from restoration societies and expert groups.

The Waterway Recovery Group, through its numerous camps, events and training courses assisted restoration projects from the Wey and Arun in the south to the Lancaster Canal in the north and many in between. This continues to be a successful and popular operation, engaging many new people, including a number of Duke of Edinburgh award candidates. The 2024 Annual Waterways Restoration Conference was held in April at Northampton University, attracting over 100 delegates. The event, which is jointly organised by the IWA and Canal & River Trust, was opened by Julie Sharman (Chief Operating Officer at Canal & River Trust). The themes focused on inclusion, collaboration, training, skills and sustainable planning. A similar event was held in April 2025 at the Canal Museum at Ellesmere Port.

Many restoration issues came to the fore during the year. Of note are the opportunities and challenges for restoration from water transfer schemes (such as the Grand Union Canal proposals) and new reservoirs. Funding remains a big challenge, with it being an election year there was a hiatus in the much-needed public sector grant opportunities. Climate change puts extra stress on existing waterways and makes restorations more challenging. However, during the year it became clear that waterways can play a key role regarding mitigating climate change, water quality, and nature recovery, all stated government priorities.

IWA seeks to respond to threats, and support opportunities for restoration across the country, often brought to its attention by IWA Branches or Restoration Society Corporate Members. These can usually be seen on the News pages of IWA's website.

Lack of resources remains a key issue even though socio-economic studies show that waterway restorations can lead to good growth in local economies. There is also a disappointing lack of care and professionalism in development proposals which quite unnecessarily make no, or poor, provision for restorations. 2024 has shown that IWA vigilance and willingness to campaign is even more essential. IWA Branches, Heritage Champions and individual supporters are being encouraged to step up their vigilance.

Legacies continued to be an important support in 2024 for restoration work and a working group examined how to best use legacies for restoration to accelerate where possible activity and to highlight how much can be achieved with even modest capital sums.

## **Navigation and Campaigning Activities**

2024 proved to be a challenging year for Britain's inland waterways. Unplanned closures continued to increase. Winter storms caused damage and disrupted planned maintenance. Navigation authorities made known their difficulties with inadequate funding. Boat licence fees increased above inflation. Boater satisfaction declined sharply. The number of licensed boats decreased. Cruising declined although residential use of boats increased. Businesses were impacted by unreliable waterway infrastructure and floods.

The most pressing topics were therefore the condition and funding of the waterways. IWA Navigation Committee worked for the best possible waterway condition for all users, while IWA's major campaigning activity was through Fund Britain's Waterways (FBW), a coalition campaigning for national and local government to act now and protect the public benefit and natural capital of our waterways. Navigation Committee ran a Boaters' User Experience Survey to provide a baseline view of waterway condition for subsequent monitoring. The results showed both short-term and longer-term decline. It was heartening to see navigation authorities starting to take action to address the fall in boater satisfaction. Improved maintenance will benefit all users, not only boaters. Other work included managing IWA's relationships with navigation authorities, responding to consultations, lobbying for specific waterways, ongoing campaigns and review of IWA campaign policies. The Sustainable Boating Group sought to encourage boaters to adopt more sustainable practices for propulsion and domestic purposes, through presentations, press articles, presence at major boat shows and the launch of the IWA/Towpath Talk Sustainable Boating Awards. The Inland Waterways Freight Group surveyed waterways freight operators, produced a Water Freight Charter and case studies, lobbied Government and responded to planning consultations. A notable development was the emergence of water resources management as an area relevant to the waterways. A new IWA group and lead role are to be created in recognition of the broader impacts beyond navigation.

IWA continued its leadership role in FBW, which grew to 145 member organisations. A weekend of action in May 2024 included events across the country alongside IWA Canalway Cavalcade, culminating in a second Campaign Cruise on the tidal Thames to the Palace of Westminster, with a flotilla of narrowboats, commercial craft, sea kayaks and a chartered boat carrying VIPs. The unexpectedly early General Election led to a change in focus in the second half of the year, in order to get the message to local and national politicians. A representation was submitted to the Autumn Budget urging a review of government funding for all inland waterways. Plans are in development for expanded campaign cruises in 2025, in parallel with a review of future direction. The steering group is increasingly resource-constrained despite efforts to encourage greater involvement of member organisations. Campaigning continued across IWA, particularly through the Heritage and Planning Advisory Panels and local Branches. IWA continued to provide the secretariat for the All-Party Parliamentary Group for the Waterways, which was reconstituted after the election with Bill Esterson MP as the new Chair.

## Membership & Environment

Members are the lifeblood of IWA. Membership provides a very significant part of our unrestricted income; 47% in 2024. But like many other membership organisations, the number of members is declining year-on-year. In 2000 the IWA had approximately 18,000 individual members. By mid-2024 this had fallen to just under half of that figure. Also, the age profile of existing members appears to be increasing. 89% of our 2023 Member Survey respondents were 60+.

We are planning to run a campaign to boost membership in 2025 tied in with national and local campaigns, and our presence at events. With a higher (growing) membership we will have more authority, more involvement in our cause and more funds and we will be able to do more. We also plan a greater involvement with our corporate members who currently number over 300.

Sustainable development and the natural environment are at the forefront of IWA's campaigning agenda. Waterways are blue-green corridors that allow opportunities for reconnecting disparate habitats biodiversity net gain and improvements for wildlife. We campaign to protect and improve the natural environment. For example, the IWA is represented on the Wye Navigation Advisory Committee to tackle environmental issues on the River Wye.

We want boating on canals and rivers to be more sustainable and – even though the current overall contribution to UK carbon emissions is very small – we want to help reduce emissions on the waterways. The Navigation Committee has produced a dedicated briefing note on Environmental Guidance for Boaters, providing advice on propulsion, electricity generation, stoves and water pollution.

## Thank you to IWA volunteers, supporters and employees

IWA would not exist without the generosity of our members and donors, and the successes outlined above would not be achieved without the incredible commitment of our volunteers and employees. By supporting us through membership subscriptions or donations, or by contributing time through volunteering, these individuals ensure our organisation can continue to do such valuable work to support, protect and regenerate the nation's navigable rivers and canals, for everyone to enjoy.

In 2024, we introduced a new set of sustainable boating awards in partnership with Towpath Talk with awards made at our 2024 AGM at De Montfort University in Leicester to:

**Non-Commercial Award**

Kay & Paul Sumpner

**Commercial Award**

Mothership Marine & Ortomarine (commendation)

Our national volunteer awards recognise outstanding achievements, and at the same event, awards were made to:

**Richard Bird Medals:**

Pete Fleming, Emma Greenall, Peter Hill and Bernard Morton

**Christopher Power Prize:**

Ali Bottomley (Womble) WRG

**Branch Achievement Award:**

IWA Northampton Branch

**Cyril Styring Award:**

Ray Alexander

We would like to record our heartfelt thanks to all volunteers, and for the unfailing support of waterway groups, corporate members, and other bodies in our sector, for their amazing contribution to the Association's work, and for their support to IWA's former subsidiary company, Essex Waterways Ltd

## **Financial review,**

The main sources of income were subscriptions, legacies and donations. Our former subsidiary Essex Waterways Limited runs the Chelmer and Blackwater Navigation on a standalone basis. Its income comes mainly from mooring fees, with growing revenue streams in canoe licences and boat trips. Both IWA and Essex Waterways Ltd have the benefit of very significant voluntary commitment.

In common with many charities, maintaining subscription income has been challenging. In 2024 there was a small reduction in membership numbers and income coupled with a small increase in the subscription rates. In 2025, we intend to have a membership recruitment campaign. We continue to receive donations, and bequests for which we are extremely grateful.

The Charity continues to monitor its administration and other costs carefully and has continued to make some changes. In September, we recruited Charlie Norman to the new role of Campaigns and Public Affairs Director to strengthen that area of our activity.

Canalway Cavalcade once again proved financially successful as well as bringing a vibrant boating spectacle to central London. There was no Festival of Water held during the year. The sale of Christmas cards and calendars once again brought in a useful profit to help both finances and broadcasting IWA's message.

Expenditure on charitable activity was £520,276 (2023: £880,970) which includes £404,013 (2023: £637,525) on our campaigns to protect and restore the waterways. Roughly 50% of this was funded by membership subscriptions, 45% from donations and legacies and a further 5% by other charitable activities. Inland Waterways Enterprises Limited did not trade in 2024.

Essex Waterways enjoyed another strong year in 2024 building on the success of the previous twelve months. It made an operating surplus of £123,216 (2023: £138,415) on trading income of £901,915 (2023: £890,591). This surplus was achieved following a good trading season, despite a slow wet start to the spring. Maintenance work included the purchase of two sets of lock gates, one being fitted, the other being carried over into 2025. Enormous visitor pressures and associated anti-social behaviour over the summer, especially during hotter spells, challenged our limited capacity but our staff and volunteers responded extremely well to keep the navigation open and safe. New rapports were formed with police, local authority and other agency teams to assist with this work, which will be further consolidated in 2025.

## Principal funding sources

The Association's principal funding sources for 2024 were:

	Unrestricted £	Restricted £
Subscriptions from members	373,499	-
Donations	21,678	45,475
Legacies	240,145	-
Investments	40,594	44,745

Other income is shown in notes 3 to 5 of the financial statements.

## Legacies

The Inland Waterways Association is very grateful for bequests during the year totalling £240,145. Without this generosity it would not be possible for the Association to make the significant contribution it does to protecting and restoring the inland waterways. Our grateful thanks go to:

David Sydney Baird  
Edward Banks  
John Bormond Barrett  
Barbara Catherine Blossom  
James Richard Booth  
John Ambrose Collett  
Joan Shirley Dalby  
Geoffrey James Eagles  
Nicholas George Gardiner  
Patricia Evelyn Hore  
Betty Anne Ingram  
Michael Bernard Jones  
Joyce Beatrice Keep  
John Desmond Longthorne  
Margaret Jean Maynard  
Katharine Shirley Mitchell  
Diana Margaret Skilbeck  
Thomas Frank & Jane Waters  
Alan John West

Total incoming resources for the group available during 2024 were £1,818,463 (2023: £1,890,454). This enabled expenditure of £1,537,395, (2023: £1,808,219). After taking account of the gain on investments of £15,789 (2023: gain of £45,902) the total funds carried forward at the year-end stood at £2,664,188 (2023: £2,367,331).

## Fundraising

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

Fundraising communications posted or emailed to individual members or supporters are few but include annual information about our Club 500. When supporters and volunteers register for our working holiday Canal Camps or purchase moorings or camping pitches for our Festivals we ask if a donation could be made alongside the booking.

We do not make our supporter lists available to third parties and we do not send direct email or postal communications on behalf of third parties.

## Grants

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

Cummins Power Systems  
Canal & River Trust  
Bletchley and Fenny Stratford Town Council

## Investment performance

At 31st December 2024 the value of listed investments was £1,347,968 and together with the cash held by our investment advisers and awaiting re-investment, amounted to £1,445,346 compared to £1,192,644 at 31st December 2023. During the year an additional sum of £200,000 was invested in the government securities fund, and investment income amounted to £85,339 (2023: £70,395).

In the first quarter of 2024 the cash held by our investment advisers was re-invested in two portfolios. The larger portfolio is invested in Government securities and other financial instruments to better protect the value of our restricted and designated funds, and therefore these investments are of a short-term nature. The smaller portfolio is invested in equities and is part of the general fund. The decision to use two portfolios was taken after the Investment Policy was approved by the Trustees.

The investment working group, a subsidiary of finance committee, monitors both portfolios during the year against appropriate benchmarks. It meets with the investment managers at least once a year.

## Key policies

### Investment policy

#### 1. Introduction

The overall financial objective is in two distinct parts:

- for restricted and designated funds, short-term reserves, bonds of not less than class AAA or Gilts emphasising certainty of value,
- for general funds, longer-term, invested to support the reserves policy.

#### 2. Investment objective is

- to produce best financial return with a negligible level of risk for the restricted and designated funds
- to produce a total return of at least Consumer Price Index plus 3.5% for the long-term funds held

#### 3. Risk for Longer Term Funds

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

#### 4. Liquidity

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

#### 5. Time Horizon

- restricted and designated funds: less than 3 years
- free reserve: greater than 3 years

#### 6. Ethical Policy

- invested in line with the Association aims and giving due consideration to environmental, social, and governance factors

## 7. Management, Reporting and Monitoring

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

## Principal risks and uncertainties

Maintaining a regular review of risk is one of trustees' key duties. Since 2020 the trustees have maintained a working group, which carries out a thorough review of the management of risk.

The working group, which includes key trustees with differing backgrounds and experience, keeps the Risk Register under review and reports periodically to the board of trustees via the finance committee. The trustees have a clear picture of where IWA needs to be focusing its energy and resources.

In 2024, the Association's risk register was reviewed half-way through the year, and it was further reviewed at the end of the year, with several new important strategic risks identified. The finances are now more stable, and a new Campaigns and Public Affairs Director was appointed in September 2024, thus helping with the management workload, but the Management Committee is still in place dealing with day-to-day management issues. The new strategic risks identified include a legal dispute with an investment property which the IWA owns, internal relationships with the Waterways Recovery Group and corporate memory loss.

## Reserves Policy and Going Concern

### Reserves policy

The Association's reserves are available for use in furtherance of the charitable objectives of the Association. They consist of:

- The General fund
- Restricted funds
- Designated funds

Restricted funds are either:

- Set aside for specific projects or purposes in accordance with the instructions or intentions of the donors.
- Contractually committed - e.g. Allocated and formally notified to the intended recipient.

Designated funds are:

- Funds allocated by trustees for specific purposes.
- Funds held by branches and regions, including WRG regional groups.

# The Inland Waterways Association

## Trustees' Annual Report

### For the year ended 31 December 2024

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Where expenditure fulfils the criteria of a restricted fund, it should be charged against that fund, rather than from the General Fund. The Association's income and expenditure may vary from year to year, because of:

- Changes in the value of its investments
- Variable income from sources such as legacies and donations.
- Fluctuations in membership income.
- Urgent major expenditure on waterway restoration or campaigning
- A need for legal advice or legal action.

The Association should hold sufficient free funds to cover its operating costs for a minimum six and a maximum of twelve months, which would enable it to continue its activities and to manage any financial or operational difficulty that could arise.

Free funds are defined as the General Fund less the value of fixed assets (after depreciation).

If circumstances arise where the free funds are not sufficient to cover any liabilities, trustees can remove the designation of designated funds and transfer them to the General Fund.

Based on the risk assessments it has carried out, trustees have concluded that IWA's free funds should lie between £350,000 and £700,000. Of this amount, a minimum of £150,000 should be liquid and available for immediate use. The level of charity free reserves at 31 December 2024 was as follows:

<b>Free Funds</b>	<b>£</b>
General fund	618,213
Less unrestricted tangible fixed assets	(8,006)
Less unrestricted intangible assets	0
<b>Adjusted Free Funds</b>	<b>610,207</b>

### Going concern statement

The trustees have carried out a detailed assessment of the organisation's going concern status. The assessment utilises the use of only the General Fund, excluding fixed assets as well as ignoring Restricted Funds.

Projections of the income and expenditure and of the resulting cashflow have been tested through several scenarios. Areas of higher risk, such as falls in the value of investments and reduction in legacy income, have received particular attention.

The Association benefits from a variety of income streams, some more stable and dependable than others. This does, however, spread the risk of a significant reduction in income. The directors of Essex Waterways Ltd have carried out a similar exercise. Potential risk areas include increased inflation, cost-of-living pressures and large unplanned maintenance costs resulting from the failure of a navigation asset.

Both the Finance Committee and the trustees have reviewed and challenged the assessments and are satisfied that the group will be able to meet its liabilities as they fall due for at least the twelve

months from the date the annual accounts are approved. In the case of particularly severe and sustained falls in the value of investments, additional mitigating actions have been identified.

The financial projections for 2025 and 2026 are deemed to be grounded and in some areas conservative. The assumptions indicate a stable prudent financial position. The budgets have been prepared with a balanced approach with a fairly stable income projection from membership, controlled expenses growth and seeks to diversify income streams. For these reasons, the board continues to adopt the going concern basis in preparing the financial statements.

## **Structure, Governance and Management**

### **Organisation**

The Board of Trustees consists of twelve members. Trustees held ten formal Board meetings during 2024.

There are four principal committees of the Board of Trustees:

- Management Committee
- Finance Committee
- Navigation Committee
- Waterway Recovery Group

The Management Committee usually meets at least monthly. Other committees usually meet four to six times per annum. There are a range of sub-committees, working groups and advisory panels, including Remuneration Committee, reporting directly to trustees, or reporting to other parts of the Association.

The day-to-day operations of the charity are managed by a staff team in Chesham office who report to the Management Committee. To facilitate effective operations, the Management Committee has the delegated authority, within the terms of delegation approved by the trustees, for operational matters including finance and employment.

### **Trustee remuneration and insurance**

No trustee received any remuneration in respect of services to the Association, other than reimbursement of expenses incurred in providing such services. A premium in respect of trustee indemnity insurance for members of the trustee board of £950 including Insurance Premium Tax was paid during the year (2023: £876).

## Remuneration policy for key management personnel

A Remuneration Committee, comprising the chair of Finance Committee, the national chair and two other members appointed annually by trustees, reviews the remuneration of employees, and takes into consideration current market conditions for the functions and performance of the relevant employees.

## Governing documents

The Inland Waterways Association is a charitable company limited by guarantee, incorporated on 2 October 1958. It is governed by its Articles of Association, which were last updated at the AGM on 24 September 2016. The charitable company's objects and powers were initially set out in a Memorandum of Association that is now incorporated in the Articles of Association

IWA registered as a charity on 17 December 1962 and remains registered with the Charity Commission. Each member agrees to contribute £1 in the event of the charity winding up.

## Related parties and relationships with other organisations

The Inland Waterways Association has three subsidiary companies:

- Essex Waterways Limited, which began trading in November 2005, and manages the Chelmer & Blackwater Navigation. The Company enjoys the support of Chelmsford City Council, Essex County Council, Northumbrian Water and Maldon District Council. It is a member of the Association of Inland Navigation Authorities. EWL was transferred to a new charity, Essex Waterways Navigation Trust at the end of March 2025.
- Inland Waterways Enterprises Limited began trading in August 2017 to undertake certain commercial activities to support IWA. It did not trade in 2024.
- Waterway Recovery Group Ltd is dormant and is maintained to protect the name. Waterway Recovery Group is a trading name of the Association.

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

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

The Inland Waterways Association nominates appropriate members to serve as trustees of several other inland waterway related charities and appoints representatives to attend the governing

meetings of a number of other organisations and bodies. These appointments are individually approved by trustees for fixed periods, with appointees usually being eligible for reappointment.

### Appointment of trustees

The trustee recruitment process is based on a skills audit and is usually carried out by a working group appointed by trustees, or occasionally by trustees direct to fulfil a particular need. Terms of office are usually for three years with a maximum of four consecutive terms before a three-year break must be taken. The appointment of trustees is staggered over a three-year period. All trustees are members of the Association. No trustee appointments are made by outside bodies.

### Trustee induction and training

New trustees are provided with a list of documents for recommended study and invited to attend induction sessions where they are given introductions to the activities of each team, as well as time speaking directly with the staff at the Chesham office. New trustees are also provided with informal guidance from existing trustees.

### Statement of responsibilities of the trustees

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

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

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

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

## The Inland Waterways Association

### Trustees' Annual Report

#### For the year ended 31 December 2024

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In so far as the trustees are aware:

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

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2024 was 8,488 (2023: 9,282). The trustees are members of the charity, but this entitles them only to the same voting rights as any other member. The trustees have no beneficial interest in the charity.

#### Auditor

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

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

The trustees' annual report has been approved by the trustees on 5 June 2025 and signed on their behalf by

Michael Wills  
National Chair

## Independent auditor's report

To the members of

The Inland Waterways Association

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### Opinion

We have audited the financial statements of The Inland Waterways Association (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2024 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

## **Independent auditor's report**

**To the members of**

**The Inland Waterways Association**

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### **Other Information**

The other information comprises the information included in the trustees' annual report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information, and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

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

## Independent auditor's report

To the members of

The Inland Waterways Association

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### Responsibilities of trustees

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

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

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

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

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

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

### Capability of the audit in detecting irregularities

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

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

## Independent auditor's report

To the members of

The Inland Waterways Association

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

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

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

## Use of our report

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

## **Independent auditor's report**

**To the members of**

**The Inland Waterways Association**

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company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller (Senior statutory auditor)

2 July 2025

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

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

Consolidated The Inland Waterways Association

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2024

	Note	Unrestricted £	Restricted £	2024 Total £	2023 Unrestricted £	2023 Restricted £	2023 Total £
<b>Income from:</b>							
Donations, legacies and membership subscriptions	2	635,322	45,475	<b>680,797</b>	656,540	63,473	720,013
Charitable activities	3	23,328	15,001	<b>38,329</b>	27,592	15,469	43,061
Other trading activities	4	1,013,998	-	<b>1,013,998</b>	1,055,124	1,861	1,056,985
Investments	5	40,594	44,745	<b>85,339</b>	44,353	26,042	70,395
<b>Total income</b>		<b>1,713,242</b>	<b>105,221</b>	<b>1,818,463</b>	<b>1,783,609</b>	<b>106,845</b>	<b>1,890,454</b>
<b>Expenditure on:</b>							
Raising funds	6	1,010,965	6,154	<b>1,017,119</b>	918,400	8,850	927,250
Charitable activities							
Campaign and restoration costs	6	352,922	51,091	<b>404,013</b>	510,302	127,222	637,525
Membership support costs	6	109,284	-	<b>109,284</b>	237,355	-	237,355
Public meetings and other activities	6	6,979	-	<b>6,979</b>	6,090	-	6,090
<b>Total expenditure</b>		<b>1,480,150</b>	<b>57,245</b>	<b>1,537,395</b>	<b>1,672,147</b>	<b>136,072</b>	<b>1,808,219</b>
<b>Net income / (expenditure) before net gains / (losses) on investments</b>		<b>233,092</b>	<b>47,976</b>	<b>281,068</b>	<b>111,462</b>	<b>(29,227)</b>	<b>82,235</b>
Net gains / (losses) on investments	16	13,989	1,800	<b>15,789</b>	10,787	35,115	45,902
<b>Net income / (expenditure) for the year</b>	8	<b>247,081</b>	<b>49,776</b>	<b>296,857</b>	<b>122,249</b>	<b>5,888</b>	<b>128,137</b>
Transfers between funds		(3,264)	3,264	-	1,000	(1,000)	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>243,817</b>	<b>53,040</b>	<b>296,857</b>	<b>123,249</b>	<b>4,888</b>	<b>128,137</b>
Gains on revaluation of investment property		-	-	-	-	-	-
<b>Net movement in funds</b>		<b>243,817</b>	<b>53,040</b>	<b>296,857</b>	<b>123,249</b>	<b>4,888</b>	<b>128,137</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		983,112	1,384,219	<b>2,367,331</b>	859,863	1,379,331	2,239,194
<b>Total funds carried forward</b>		<b>1,226,929</b>	<b>1,437,259</b>	<b>2,664,188</b>	<b>983,112</b>	<b>1,384,219</b>	<b>2,367,331</b>

There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 25 to the financial statements.

Consolidated The Inland Waterways Association

Balance sheet

Company no. 00612245

As at 31 December 2024

	Note	Group 2024 £	2023 £	Charity 2024 £	2023 £
<b>Fixed assets:</b>					
Intangible assets	13	–	7,981	–	7,981
Tangible assets	14	239,949	252,106	8,006	12,689
Investment properties	15	375,000	375,000	375,000	375,000
Investments	16	1,445,346	1,192,644	1,445,350	1,192,648
		<b>2,060,295</b>	1,827,731	<b>1,828,356</b>	1,588,318
<b>Current assets:</b>					
Stock	19	6,219	14,029	5,574	11,748
Debtors	20	142,928	179,425	121,427	135,569
Cash at bank and in hand		743,088	678,252	510,486	488,514
		<b>892,235</b>	871,706	<b>637,487</b>	635,831
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	21	(271,748)	(328,443)	(149,710)	(181,508)
<b>Net current assets</b>		<b>620,487</b>	543,263	<b>487,778</b>	454,323
<b>Total assets less current liabilities</b>		<b>2,680,782</b>	2,370,994	<b>2,316,134</b>	2,042,641
Creditors: amounts falling due after one year	23	(16,594)	(3,663)	–	(3,663)
<b>Total net assets</b>		<b>2,664,188</b>	2,367,331	<b>2,316,134</b>	2,038,978
<b>The funds of the charity:</b>					
Restricted income funds	25	1,437,259	1,384,219	1,410,810	1,357,771
Unrestricted income funds:					
Designated funds		183,596	183,688	287,111	183,688
Revaluation reserve		10,690	10,690	–	–
General funds		1,032,643	788,734	618,213	497,519
Total unrestricted funds		<b>1,226,929</b>	983,112	<b>905,324</b>	681,207
<b>Total charity funds</b>		<b>2,664,188</b>	2,367,331	<b>2,316,134</b>	2,038,978

Approved by the trustees on 5 June 2025 and signed on their behalf by

Michael Wills  
National Chair

Consolidated The Inland Waterways Association

Consolidated statement of cash flows

For the year ended 31 December 2024

	Note	2024		2023	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Net income / (expenditure) for the reporting period (as per the statement of financial activities)		296,857		128,137	
Amortisation charges		7,981		18,462	
Depreciation charges		81,198		52,764	
(Gains) / losses on investments		(15,789)		(45,902)	
Dividends, interest and rent from investments		(85,339)		(70,395)	
Loss on the disposal of fixed assets		8,111		37,199	
(Increase) / decrease in stocks		7,810		(682)	
(Increase) / decrease in debtors		36,497		(60,288)	
Increase / (decrease) in creditors		(43,764)		103,645	
<b>Net cash provided by / (used in) operating activities</b>			<b>293,561</b>		<b>162,940</b>
<b>Cash flows from investing activities:</b>					
Bank interest received		10,214		5,616	
Investment income received		75,125		64,779	
Purchase of fixed asset investments		(1,361,310)		(179,839)	
Purchase of tangible fixed assets		(77,152)		(9,360)	
Proceeds from sale of fixed asset investments		127,955		1,240,146	
<b>Net cash used in investing activities</b>			<b>(1,225,168)</b>		<b>1,121,342</b>
<b>Cash flows from financing activities:</b>					
Loan repayment including interest		-		(19,198)	
<b>Net cash used in financing activities</b>			<b>-</b>		<b>(19,198)</b>
<b>Change in cash and cash equivalents in the year</b>			<b>(931,607)</b>		<b>1,265,084</b>
Cash and cash equivalents at the beginning of the year			<b>1,772,072</b>		<b>506,988</b>
<b>Cash and cash equivalents at the end of the year</b>			<b>840,465</b>		<b>1,772,072</b>
<b>Analysis of cash and cash equivalents and of net debt</b>					
		At 1 January 2024	Cash flows	Other non-cash changes	At 31 December 2024
		£	£	£	£
Cash at bank and in hand		678,252	64,836	-	743,088
Investment cash		1,093,820	(996,443)	-	97,377
<b>Total cash and cash equivalents</b>		<b>1,772,072</b>	<b>(931,607)</b>	<b>-</b>	<b>840,465</b>

**1 Accounting policies**

**a) Statutory information**

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

The registered office address is Unit 16B First Floor, Chiltern Court, Asheridge Road, Chesham, HP5 2PX

**b) Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006/Charities Act 2011.

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

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below. The accounts are prepared as full values however are presented to the nearest £1. This may cause trivial rounding errors in the financial statements.

These financial statements consolidate the results of the charity and its wholly-owned subsidiaries Inland Waterways Enterprises Limited, and Essex Waterways Limited, on a line by line basis. Transactions and balances between the charity and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented.

**c) Public benefit entity**

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

**d) Going concern**

The trustees have carried out a detailed assessment of the organisation's going concern status. Projections of the financial position and cashflow of unrestricted funds have been tested through scenarios where areas of higher risk, such as investment valuation, inflation, membership income, legacy income and fundraising, cause deterioration in financial performance in 2025 and/or 2026. The Board and its Finance Committee reviewed and challenged the assessment, with the final paper and conclusions documented.

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

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

**1 Accounting policies (continued)**

**e) Income**

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

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

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

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

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

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

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

**g) Interest receivable**

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

**h) Fund accounting**

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

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

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

**1 Accounting policies (continued)**

**i) Expenditure and irrecoverable VAT**

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

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of campaigning and restoration activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

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

**j) Grants payable**

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

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

**k) Allocation of support costs**

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

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

● Raising funds	66%
● Campaign and restoration costs	26%
● Membership support costs	7%
● Public meetings and other activities	0%

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

**l) Operating leases**

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

**m) Intangible fixed assets**

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

● IT software	3–7 years
● Website	4 years

**1 Accounting policies (continued)**

**n) Tangible fixed assets**

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

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

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

● Computer equipment	3 to 4 years
● Plant and equipment	3 to 10 years
● Motor vehicles	4 years
● Boats and canoes	4 to 20 years
● Buildings and leasehold improvements	4 to 10 years

**o) Investment properties**

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

**p) Listed investments**

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

**q) Investments in subsidiaries**

Investments in subsidiaries are at cost.

**r) Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. In general, cost is determined on a first in first out basis and includes transport and handling costs. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated items of stock, held for distribution or resale, are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

**s) Debtors**

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

# Consolidated The Inland Waterways Association

## Notes to the financial statements

### For the year ended 31 December 2024

#### 1 Accounting policies (continued)

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

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

##### u) Creditors and provisions

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

##### v) Financial instruments

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

#### 2 Income from donations, legacies and membership subscriptions

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Donations	21,678	45,475	67,153	24,291	62,492	86,783
Legacies	240,145	-	240,145	247,325	981	248,306
Membership subscriptions	373,499	-	373,499	384,924	-	384,924
	<u>635,322</u>	<u>45,475</u>	<u>680,797</u>	<u>656,540</u>	<u>63,473</u>	<u>720,013</u>

IWA has been notified of legacies with an estimated value of £471,929 (2023: £526,709) which have not been included in income for the year ended 31 December 2024, because either probate has not been received or IWA is not satisfied that the amount receivable can be reliably measured. The amount of £471,929 includes £357,590 of legacies attributable to the restricted funds for specified capital projects for the preservation and improvement of the Inland Waterways.

#### 3 Income from charitable activities

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Publications income	3,375	-	3,375	2,974	-	2,974
Public meetings and other activities	7,740	-	7,740	7,402	-	7,402
Grant income	-	15,001	15,001	3,898	15,469	19,367
Fundraising	12,214	-	12,214	13,318	-	13,318
Total income from charitable activities	<u>23,328</u>	<u>15,001</u>	<u>38,329</u>	<u>27,592</u>	<u>15,469</u>	<u>43,061</u>

Consolidated The Inland Waterways Association

Notes to the financial statements

For the year ended 31 December 2024

4 Income from other trading activities

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Navigation management income	901,914	-	<b>901,914</b>	890,685	-	890,685
Charitable trading	6,842	-	<b>6,842</b>	7,367	-	7,367
Other events and activities	105,242	-	<b>105,242</b>	157,072	1,861	158,933
	<u>1,013,998</u>	<u>-</u>	<u><b>1,013,998</b></u>	<u>1,055,124</u>	<u>1,861</u>	<u>1,056,985</u>

5 Income from investments

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Rental income	28,688	-	<b>28,688</b>	30,737	-	30,737
Bank interest	10,214	-	<b>10,214</b>	5,616	-	5,616
Income from quoted investments	1,691	44,745	<b>46,437</b>	8,000	26,042	34,042
	<u>40,594</u>	<u>44,745</u>	<u><b>85,339</b></u>	<u>44,353</u>	<u>26,042</u>	<u>70,395</u>

Consolidated The Inland Waterways Association

Notes to the financial statements

For the year ended 31 December 2024

6a Analysis of expenditure (current year)

	Charitable activities						2024 Total £	2023 Total £
	Raising funds £	Campaign and restoration costs £	Membership support costs £	Public meetings and other activities £	Governance costs £	Support costs £		
Staff costs (Note 9)	489,220	95,906	80,342	-	29,201	-	<b>694,669</b>	866,623
Building and infrastructure costs	157,163	-	-	-	-	30,213	<b>187,376</b>	184,339
Meeting, travel and officers' expenses	-	9,793	-	-	220	905	<b>10,918</b>	14,715
Donations and grants	-	22,205	-	-	-	-	<b>22,205</b>	61,087
Work Party costs	-	8,681	-	-	-	-	<b>8,681</b>	6,878
WRG restoration costs	-	69,022	-	-	-	-	<b>69,022</b>	103,156
Campaign costs	-	28,534	-	-	-	-	<b>28,534</b>	64,652
Other direct costs	1,000	19,406	-	-	-	-	<b>20,406</b>	75,185
Restoration Hub	-	19,652	-	-	-	-	<b>19,652</b>	26,173
Membership and recruitment	-	25,147	19,854	-	-	-	<b>45,001</b>	44,787
Public meetings and other activities	-	-	-	6,399	-	-	<b>6,399</b>	5,437
Depreciation and amortisation	22,117	35,818	-	-	-	11,454	<b>69,389</b>	71,274
Investment management costs	5,485	-	-	-	-	-	<b>5,485</b>	7,273
Bank charges	5,301	-	-	-	-	-	<b>5,301</b>	6,917
Navigation management costs	220,056	36,250	-	-	1,322	-	<b>257,628</b>	197,219
Charitable trading	1,991	-	-	-	-	-	<b>1,991</b>	4,680
Other events and activities	30,197	-	-	-	-	-	<b>30,197</b>	25,652
Audit & accountancy fees	-	-	-	-	43,231	-	<b>43,231</b>	34,453
Legal and professional services	-	-	-	-	-	9,815	<b>9,815</b>	6,779
AGM and other meeting costs	-	-	-	-	1,495	-	<b>1,495</b>	938
	<b>932,530</b>	<b>370,414</b>	<b>100,196</b>	<b>6,399</b>	<b>75,469</b>	<b>52,387</b>	<b>1,537,395</b>	1,808,219
Support costs	34,658	13,767	3,724	238	-	(52,387)	-	-
Governance costs	49,931	19,832	5,364	342	(75,469)	-	-	-
<b>Total expenditure 2024</b>	<b>1,017,119</b>	<b>404,013</b>	<b>109,284</b>	<b>6,979</b>	<b>-</b>	<b>-</b>	<b>1,537,395</b>	
Total expenditure 2023	927,250	637,524	237,355	6,090	-	-		1,808,219

The Inland Waterways Association

Notes to the financial statements

For the year ended 31 December 2024

6b Analysis of expenditure (prior year)

	Charitable activities						2023 Total £
	Raising funds £	Campaign and restoration costs £	Membership support costs £	Public meetings and other activities £	Governance costs £	Support costs £	
Staff costs (Note 9)	445,004	193,225	193,920	-	6,859	27,615	866,623
Building and infrastructure costs	146,565	-	-	-	-	37,774	184,339
Meeting, travel and officers' expenses	1,084	10,914	-	-	100	2,617	14,715
Donations and grants	-	61,087	-	-	-	-	61,087
Work Party costs	-	6,878	-	-	-	-	6,878
WRG restoration costs	-	103,156	-	-	-	-	103,156
Campaign costs	-	64,652	-	-	-	-	64,652
Other direct costs	1,268	23,917	-	-	-	50,000	75,185
Restoration Hub	-	26,173	-	-	-	-	26,173
Membership and recruitment	-	26,799	17,988	-	-	-	44,787
Public meetings and other activities	-	-	-	5,437	-	-	5,437
Depreciation and amortisation	16,495	31,132	-	-	-	23,647	71,274
Investment management costs	7,273	-	-	-	-	-	7,273
Bank charges	6,917	-	-	-	-	-	6,917
Navigation management costs	172,902	21,243	-	-	250	2,824	197,219
Charitable trading	4,680	-	-	-	-	-	4,680
Other events and activities	25,652	-	-	-	-	-	25,652
Audit & accountancy fees	-	-	-	-	34,453	-	34,453
Legal and professional services	-	-	-	-	-	6,779	6,779
AGM and other meeting costs	-	-	-	-	938	-	938
	827,840	569,176	211,908	5,437	42,600	151,257	1,808,219
Support costs	77,564	53,329	19,855	509		(151,257)	-
Governance costs	21,845	15,020	5,592	144	(42,600)	-	-
<b>Total expenditure 2023</b>	<b>927,250</b>	<b>637,524</b>	<b>237,355</b>	<b>6,090</b>	<b>-</b>	<b>-</b>	<b>1,808,219</b>

Consolidated The Inland Waterways Association

Notes to the financial statements

For the year ended 31 December 2024

7a Grant making (current year)

Cost	Grants to institutions £	2024 £
Other grants and donations	22,205	22,205
At the end of the year	22,205	22,205

During the year the charity did not award any grants but made a number of small donations to other trusts including Chesterfield Canal Trust (£1,395), Wey Arun Canal Trust (£1,300), Wendover Arm Trust (£1,300).

7b Grant making (prior year)

Cost	Grants to institutions £	2023 £
Swansea Canal Society Coed Park Slipway project	9,092	9,092
Devon County Council for Grand Western Canal	6,287	6,287
Friends of Exeter Ship Canal	1,710	1,710
The Rolle Canal & Nothern Devon Waterways Society	11,570	11,570
Stover Canal Trust	3,600	3,600
Other grants and donations	28,828	28,828
At the end of the year	61,087	61,087

8 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2024 £	2023 £
Depreciation and amortisation	89,179	71,226
Operating lease rentals: payable	30,713	97,457
Operating lease rentals: receivables	(33,545)	(30,737)
Auditor's remuneration (excluding VAT):		
Audit	24,300	23,200
Other services	-	6,230

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

Staff costs were as follows:

	2024 £	2023 £
Salaries, wages and related costs	608,641	758,834
Social security costs	44,235	57,512
Employer's contribution to defined contribution pension schemes	41,793	50,277
	694,669	866,623

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2024 No.	2023 No.
£60,000 – £69,999	1	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £176,856 (2023: £286,355).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2023: £nil). No charity trustee received payment for professional or other services supplied to the charity (2023: £nil). The premium for trustee indemnity insurance for members of the Board of Trustees was £950 (2023: £876).

During the year 7 (2023: 6) members were reimbursed travel and incidental expenses incurred in respect of their services to the Group totalling £1,896 (2023: £2,287). Included in creditors at the year end is £nil (2023: £nil) owed to Trustees for their expenses.

10 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 34 (2023: 46). The total number of employees include a significant number of part time and seasonal staff.

Notes to the financial statements

For the year ended 31 December 2024

11 Related party transactions

During the year the company purchased goods (net of VAT) totalling £22,905 (2023: £5,662) from Chandler Material Supplies Limited, a company controlled by family members related to Roy Chandler, a director of Essex Waterways Limited. The balance due to Chandler Material Supplies Limited as at 31 December 2024 was £622 (2023: £405). All transactions were undertaken on a commercial arm's length basis.

During the year Essex Waterways Limited received the proceeds of a dormant bank account, £6,488 (2023 : nil), from The Company of Proprietors of the Chelmer and Blackwater Navigation. This is a dormant company that has not traded for many years, that owns the freehold of the Navigation. Essex Waterways Ltd manages the navigation. Under the management agreement Essex Waterways Limited is liable to meet the Navigation Company's administrative costs. This is shown at year end on the balance under creditors. Neil Edwards a director of Essex Waterways is also a director of The Company of Proprietors of the Chelmer and Blackwater Navigation.

On 31 March 2025 ownership of Essex Waterways Ltd was transferred to a new charity, Essex Waterways Navigation Trust. The charitable activities of EWL were then transferred to the Navigation Trust.

Aggregate donations from related parties were £nil (2023: £2,565).

12 Taxation

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

13 Intangible fixed assets

	IT software and website	Total
<b>Group and Charity Cost</b>	£	£
At the start of the year	32,894	32,894
Additions in year	-	-
Transfers (in/(out))	9,663	9,663
Disposals in year	-	-
At the end of the year	42,557	42,557
<b>Amortisation</b>		
At the start of the year	24,913	24,913
Transfers (in/(out))	9,663	9,663
Charge for the year	7,981	7,981
Eliminated on disposal	-	-
At the end of the year	42,557	42,557
<b>Net book value At the end of the year</b>	-	-
At the start of the year	7,981	7,981

All of the Charity's fixed assets are held for charitable purposes. During the year the charity completed a review of its fixed asset register. As a result a small number of transfers between asset class was completed.

14 Tangible fixed assets

	Buildings and leasehold improvements	Computer equipment	Plant and equipment	Motor vehicles	Total
<b>Group Cost</b>	£	£	£	£	£
At the start of the year	38,188	21,783	644,867	185,425	890,263
Additions in year	-	-	60,052	17,100	77,152
Transfers (in/(out))	6,220	(9,663)	(6,220)	-	(9,663)
Disposals in year	-	(6,520)	(66,679)	-	(73,199)
At the end of the year	44,408	5,600	632,020	202,525	884,553
<b>Depreciation</b>					
At the start of the year	23,134	16,692	413,331	185,000	638,157
Transfers (in/(out))	1,380	(9,663)	(1,380)	-	(9,663)
Charge for the year	7,070	1,867	65,452	6,809	81,198
Eliminated on disposal	-	(5,163)	(59,925)	-	(65,088)
At the end of the year	31,584	3,733	417,478	191,809	644,604
<b>Net book value At the end of the year</b>	12,824	1,867	214,542	10,716	239,949
At the start of the year	15,054	5,091	231,536	425	252,106

Consolidated The Inland Waterways Association

Notes to the financial statements

For the year ended 31 December 2024

	Buildings and leasehold	Computer equipment	Plant and equipment	Motor vehicles	Total
Charity Cost	£	£	£	£	£
At the start of the year		21,783	113,425	164,393	299,601
Additions in year	-	-	7,792	14,289	22,081
Transfers (in/(out))	6,220	(9,663)	(6,220)		(9,663)
Disposals in year	-	(6,520)	(32,913)	-	(39,432)
At the end of the year	6,220	5,600	82,085	178,682	272,587
<b>Depreciation</b>					
At the start of the year		16,693	105,826	164,393	286,912
Transfers (in/(out))	1,380	(9,663)	(1,380)		(9,663)
Charge for the year	2,074	1,867	7,144	14,289	25,374
Eliminated on disposal	-	(5,163)	(32,879)	-	(38,042)
At the end of the year	3,454	3,734	78,711	178,682	264,581
<b>Net book value</b>					
At the end of the year	2,766	1,866	3,374	-	8,006
At the start of the year	-	5,090	7,599	-	12,689

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

15 Investment properties

	2024	2023
Group and charity	£	£
Fair value at the start of the year	375,000	375,000
Additions	-	-
Disposals	-	-
Revaluation during the year	-	-
Fair value at the end of the year	375,000	375,000

The most recent professional valuation was carried out in December 2023 by Berrys, property advisors, whom reported a value of £375,000. The Board of Trustees have assessed the fair value of the property as at 31 December 2024. As the property cannot be sold, the professional valuation is assessed on the basis of the right to receive rental income. A tenancy contract was in place at 31 December 2024, achieving a rental in line with that assumed in the valuation.

16 Investments

	2024	2023
	£	£
Fair value at the start of the year	98,824	1,113,227
Additions at cost	1,361,310	179,839
Disposal proceeds	(127,955)	(1,240,146)
Net gain / (loss) on change in fair value	15,789	45,902
Cash held by investment advisors pending reinvestment	97,377	1,093,820
Fair value at the end of the year	1,445,346	1,192,644

Investments comprise:

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Listed investments	1,347,969	98,824	1,347,969	98,824
Cash deposits	97,377	1,093,820	97,377	1,093,820
Shares in subsidiary companies	-	-	4	4
	1,445,346	1,192,644	1,445,350	1,192,648

Name

Wholly owned subsidiaries of the charity:

Essex Waterways Limited  
Inland Waterways Enterprises Ltd  
Waterway Recovery Group Ltd

Business activity

Manages the Chelmer & Blackwater Navigation  
Dormant  
Dormant

Inland Waterways Enterprises Ltd was not actively trading in 2024 and was made dormant in 2023.

Notes to the financial statements

For the year ended 31 December 2024

17 Subsidiary undertaking

The Charity owns the whole of the issued ordinary share capital of Essex Waterways Limited, company number 05545459. Essex Waterways Limited is registered in England and details of their activities are given in note 16. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities.

A summary of the results of Essex Waterways Limited is shown below:

	2024 £	2023 £
Turnover	901,915	890,591
Cost of sales	(31,256)	(53,033)
<b>Gross profit/(loss)</b>	<b>870,659</b>	<b>837,558</b>
Operating costs	(723,792)	(674,166)
Administrative expenses	(27,010)	(24,344)
Management charge payable to parent undertaking	-	-
<b>Profit/(loss) on ordinary activities before interest and taxation</b>	<b>119,857</b>	<b>139,048</b>
Interest receivable and similar income	3,359	1,523
Interest payable	-	(2,156)
Interest payable to parent undertaking	-	-
<b>Profit / (loss) on ordinary activities before taxation</b>	<b>123,216</b>	<b>138,415</b>
Taxation on profit on ordinary activities	-	-
<b>Profit / (loss) for the financial year</b>	<b>123,216</b>	<b>138,415</b>
<b>Retained earnings</b>		
Total retained earnings brought forward	317,567	179,152
Profit / (loss) for the financial year	123,216	138,415
Distribution under Gift Aid to parent charity	(103,515)	-
<b>Total retained earnings carried forward</b>	<b>337,268</b>	<b>317,567</b>
The aggregate of the assets, liabilities and reserves was:		
Assets	486,592	475,290
Liabilities	(138,633)	(147,032)
<b>Reserves</b>	<b>347,959</b>	<b>328,258</b>

Essex Waterways Limited's total reserves of £347,959 include a £10,690 revaluation reserve and £1 share capital, as well as its retained earnings.

The subsidiary owed its parent £nil (2023: £nil) at year end. In the prior year, the sum owed to the parent is made up of £23,255 for recharges and £20,049 as a loan to finance Essex Waterways Limited's fixed assets.

**Post balance sheet event.** On 31 March 2025, Essex Waterways Ltd was transferred to a newly formed charity, Essex Waterways Navigation Trust (EWNT). Designated and restricted funds totalling some £150k have been transferred to EWNT. Full details of the impact of this transfer will be included in the IWA's 2025 Annual Accounts.

18 Parent charity

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

	2024 £	2023 £
Gross income	1,032,495	1,045,451
Result for the year	277,158	(10,374)

19 Stock

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Goods for resale	6,219	14,029	5,574	11,748
	<b>6,219</b>	<b>14,029</b>	<b>5,574</b>	<b>11,748</b>

Consolidated The Inland Waterways Association

Notes to the financial statements

For the year ended 31 December 2024

20 Debtors

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Trade debtors	5,844	24,532	515	1,422
Amounts due from associated undertakings	-	-	-	-
Other debtors, accrued income and prepayments	137,084	154,893	120,912	134,147
	<b>142,928</b>	<b>179,425</b>	<b>121,427</b>	<b>135,569</b>

21 Creditors: amounts falling due within one year

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Trade creditors	69,620	110,264	32,285	68,810
Taxation and social security	25,364	81,289	7,864	60,433
Other creditors	143,381	76,203	105,835	45,715
Amounts due to associated undertakings	-	-	-	97
Deferred income (note 22)	33,383	60,687	3,725	6,453
	<b>271,748</b>	<b>328,443</b>	<b>149,710</b>	<b>181,508</b>

22 Deferred income (group)

Deferred income at year end comprises income received in advance for waterways events due to be held in 2025, annual canoe licence fees paid in advance, trip boat hire booked in advance, some mooring income paid in advance and some small grants awarded for future year activities.

	2024 £	2023 £
Balance at the beginning of the year	60,687	38,946
Amount released to income in the year	(60,687)	(38,946)
Amount deferred in the year	49,977	60,687
Balance at the end of the year	<b>49,977</b>	<b>60,687</b>

23 Creditors: amounts falling due after one year

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Deferred income	16,594	3,663	-	3,663
	<b>16,594</b>	<b>3,663</b>	<b>-</b>	<b>3,663</b>

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

Group	General unrestricted	Designated	Restricted	Total funds
	£	£	£	£
Intangible fixed assets	-	-	-	-
Tangible fixed assets	213,500	-	26,449	239,949
Investment properties	-	-	375,000	375,000
Investments	348,065	61,471	1,035,810	1,445,346
Net current assets	498,362	122,125	-	620,487
Long term liabilities	(16,594)	-	-	(16,594)
<b>Net assets at 31 December 2024</b>	<b>1,043,333</b>	<b>183,596</b>	<b>1,437,259</b>	<b>2,664,188</b>

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

Group	General unrestricted	Designated	Restricted	Total funds
	£	£	£	£
Intangible fixed assets	7,981	-	-	7,981
Tangible fixed assets	225,658	-	26,448	252,106
Investment properties	-	-	375,000	375,000
Investments	148,310	61,563	982,772	1,192,645
Net current assets	421,139	122,125	-	543,264
Long term liabilities	(3,663)	-	-	(3,663)
<b>Net assets at 31 December 2023</b>	<b>799,425</b>	<b>183,688</b>	<b>1,384,220</b>	<b>2,367,333</b>

Consolidated The Inland Waterways Association

Notes to the financial statements

For the year ended 31 December 2024

25a Movements in funds (current year)

Group	At 1 January 2024 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2024 £
<b>Restricted funds:</b>					
Charles Hadfield Fund	6,766	337	(44)	-	7,059
Lancashire Canals Fund	96	-	-	-	96
The Christopher Power Award Fund	4,222	210	(28)	(1,000)	3,404
The New Power Family Award Fund	27,270	1,359	(180)	-	28,449
Research & Studies Fund	4,275	213	(28)	-	4,460
Waterway Recovery Group Fund	191,625	22,495	(23,912)	1,000	191,208
Frederick Woodman Fund	6	-	-	-	6
J Faulkner Fund	33,067	1,648	(218)	(2,200)	32,297
Keith Ayling Legacy Fund	1,376	-	-	-	1,376
Averil Dobson Legacy Fund	351,353	17,514	(2,316)	-	366,551
Mary Jackson Legacy Boat House Fund	375,000	-	-	-	375,000
Alison Spooner Legacy Fund	162,289	8,089	(1,070)	-	169,308
Kenneth Todd Legacy Fund	1,000	-	-	-	1,000
Historic England Fund	1,860	-	(1,374)	-	486
Essex Waterways Ltd Trip Boat Grant	19,282	-	-	-	19,282
Essex Waterways Ltd City Boat Grant	7,167	-	-	-	7,167
South West Inland Waterways Regeneration Fund	26,406	25,637	(4,364)	-	47,679
David Goodwin Legacy Fund	87,440	4,359	(576)	-	91,223
Restoration Hub	20,510	-	-	-	20,510
Cummins Power Systems	478	7,244	(6,183)	-	1,539
David Pinkney legacy For benefit of Chelmer & Blackwater Fund Britain Waterways	39,071	1,948	(258)	-	40,761
BCN Clean up	571	-	(566)	5,000	7,563
Other restricted grants	17,700	9,912	(7,246)	464	20,830
<b>Total restricted funds</b>	<b>1,384,219</b>	<b>107,021</b>	<b>(57,245)</b>	<b>3,264</b>	<b>1,437,259</b>
<b>Unrestricted funds:</b>					
Funds held by Regions and Branches	122,125	-	-	-	122,125
Tony Harrison legacy	118	-	-	-	118
Waterways in Progress	61,445	-	(92)	-	61,353
Total designated funds	183,688	-	(92)	-	183,596
<b>Revaluation reserve</b>	<b>10,690</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,690</b>
<b>General funds</b>	<b>788,734</b>	<b>1,727,231</b>	<b>(1,480,058)</b>	<b>(3,264)</b>	<b>1,032,643</b>
<b>Total unrestricted funds</b>	<b>983,112</b>	<b>1,727,231</b>	<b>(1,480,150)</b>	<b>(3,264)</b>	<b>1,226,929</b>
<b>Total funds</b>	<b>2,367,331</b>	<b>1,834,252</b>	<b>(1,537,395)</b>	<b>-</b>	<b>2,664,188</b>

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

## Notes to the financial statements

For the year ended 31 December 2024

## 25b Movements in funds (prior year)

Group	At 1 January 2023 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2023 £
<b>Restricted funds:</b>					
Charles Hadfield Fund	6,406	396	(36)	-	6,766
Lancashire Canals Fund	96	-	-	-	96
The Christopher Power Award Fund	4,891	364	(1,033)	-	4,222
The New Power Family Award Fund	25,820	1,595	(145)	-	27,270
Research & Studies Fund	4,048	250	(23)	-	4,275
Waterway Recovery Group Fund	114,547	27,264	(60,304)	110,117	191,625
Frederick Woodman Fund	6	-	-	-	6
J Faulkner Fund	32,653	2,106	(1,692)	-	33,067
Keith Ayling Legacy Fund	1,376	-	-	-	1,376
Averil Dobson Legacy Fund	332,674	20,549	(1,870)	-	351,353
Mary Jackson Legacy Boat House Fund	375,000	-	-	-	375,000
Alison Spooner Legacy Fund	153,661	9,492	(864)	-	162,289
Kenneth Todd Legacy Fund	1,000	-	-	-	1,000
Historic England Fund	4,317	1,089	(3,546)	-	1,860
Essex Waterways Ltd Trip Boat Grant	20,568	-	(1,286)	-	19,282
Essex Waterways Ltd City Boat Grant	9,167	-	(2,000)	-	7,167
Environment Agency	4,863	-	(4,863)	-	-
South West Inland Waterways Regeneration Fund	29,133	25,730	(27,457)	(1,000)	26,406
David Goodwin Legacy Fund	81,343	6,707	(610)	-	87,440
John Alan Cadisch Legacy Fund	72,291	5,954	(542)	(77,704)	-
Walter Edward Higgs Legacy Fund	28,295	2,332	(212)	(30,415)	-
Restoration Hub	20,000	263	(753)	1,000	20,510
Aberdulais Aqueduct	-	-	-	-	-
Cummins Power Systems	8,417	14,380	(22,319)	-	478
Nantwich Embankment Bench	1,000	1,000	(2,000)	-	-
David Pinkney legacy For benefit of Chelmer & Blackwater	36,810	2,487	(226)	-	39,071
Gordon Edward Muspratt legacy	2,000	-	-	(2,000)	-
Fund Britain Waterways	-	9,369	(3,980)	-	5,389
BCN Clean up	-	-	(312)	883	571
Other restricted grants	8,949	10,634	-	(1,881)	17,701
<b>Total restricted funds</b>	<b>1,379,332</b>	<b>141,961</b>	<b>(136,074)</b>	<b>(1,000)</b>	<b>1,384,219</b>
<b>Unrestricted funds:</b>					
Funds held by Regions and Branches	164,825	-	-	(42,700)	122,125
Chelmer & Blackwater Number 2 Fund	-	-	-	-	-
Chelmer & Blackwater Number 3 Fund	-	-	-	-	-
Tony Harrison legacy	118	-	-	-	118
Waterways in Progress	70,537	-	(9,092)	-	61,445
Total designated funds	235,479	-	(9,092)	(42,700)	183,688
<b>Revaluation reserve</b>	<b>10,690</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,690</b>
<b>General funds</b>	<b>613,693</b>	<b>1,794,395</b>	<b>(1,663,054)</b>	<b>43,700</b>	<b>788,734</b>
<b>Total unrestricted funds</b>	<b>859,863</b>	<b>1,794,395</b>	<b>(1,672,146)</b>	<b>1,000</b>	<b>983,112</b>
<b>Total funds</b>	<b>2,239,194</b>	<b>1,936,356</b>	<b>(1,808,220)</b>		<b>2,367,331</b>

Notes to the financial statements

For the year ended 31 December 2024

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**Purpose of transfer of funds**

The restricted fund transfer to unrestricted fund in 2024 was due to the costs incurred related to restricted activities. As these costs were initially paid by the general fund, the transfer has been made from restricted to unrestricted general fund in order to recover the initial costs incurred from general funds.

**Purposes of restricted funds**

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

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

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

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

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

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

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

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

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

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

The Alison Spooner Legacy Fund was a bequest to be used towards the Restoration Fund for the Cotswold Canals.

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

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

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

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

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

Funding for the Essex Waterways City Boat was provided by One Chelmsford towards the purchase of a boat, and the set up of the River Boat Rides project in Chelmsford.

The South West Inland Waterways Regeneration Fund has been established to provide small grants for waterway regeneration in the South West.

The David Goodwin Legacy Fund is a bequest to be used for the purpose of restoration or maintenance of one or more specific canals or waterways.

The John Alan Cadisch Legacy Fund is a bequest to the Waterway Recovery Group to be used for canal restoration projects.

The Walter Edward Higgs Legacy Fund is a bequest to the Waterway Recovery Group.

Cummins Power Systems is a grant awarded to help improve the national towpaths. Funds have been utilised within the Northampton branch at Wootton Brook.

Inland Waterways Association and working with Birmingham Canal Navigations Society on a number of small projects funded by donations. The work mainly carried out by volunteers currently runs as an annual weekend clean up of the Birmingham canals.

Other restricted grants are made up small awards by various organisations. The funds are specified for various waterways or restoration projects.

**Purposes of designated funds**

Funds held by regions and branches show the amount held by branches in the form of cash. The transfer in the current year's accounts reflects the net outflow of cash held by branches in the year.

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

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

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

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

	<b>Land and buildings</b>	
	<b>2024</b>	2023
	<b>£</b>	£
Less than one year	<b>11,900</b>	11,578
One to five years	<b>2,975</b>	14,473
	<b>14,875</b>	26,051

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

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

	<b>Property</b>	
	<b>2024</b>	2023
	<b>£</b>	£
Less than one year	<b>30,000</b>	27,120
	<b>30,000</b>	27,120

**28 Legal status of the charity**

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

**THE INLAND WATERWAYS ASSOCIATION**

England & Wales - Charity number 212342

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# Accounts

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Company number: 00612245

Charity number: 212342

# The Inland Waterways Association

Report and financial statements  
For the year ended 31 December 2023



**INLAND  
WATERWAYS**  
ASSOCIATION

# The Inland Waterways Association

## Contents

### For the year ended 31 December 2023

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Reference and administrative information .....	1
Trustees' annual report .....	3
Independent auditor's report .....	19
Statement of financial activities (incorporating an income and expenditure account) .....	24
Balance sheet .....	25
Statement of cash flows .....	26
Notes to the financial statements .....	27

# The Inland Waterways Association

## Reference and administrative information

For the year ended 31 December 2023

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Company number 00612245  
Country of incorporation United Kingdom

Charity number 212342  
Country of registration England & Wales

### Registered office and operational address

The Inland Waterways Association  
Unit 16b Chiltern Court  
Asheridge Road  
Chesham  
HP5 2PX

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

Rt Hon Sir Robert Atkins  
Richard Barnes  
David Chapman  
Claire Norman  
Susan O'Hare  
Hannah Rigley nee Sterritt  
Michael Wills  
Rebecca Hughes (until February 2023)  
John Butler (until September 2023)  
Leslie Etheridge (until September 2023)  
Nicholas Dybeck (until May 2024)  
Stuart Craig (from September 2023)  
Peter Marlow (from September 2023)  
Paul Strudwick (from September 2023)  
Thomas White (from September 2023 to February 2024)  
Paul Lynam (from February 2024 to May 2024)  
Ian Sesnan (from July 2024)

**Company Secretary** Genevieve Wilson (until February 2023)  
Vedyamala Reddy (From February 2023 to May 2024)  
Neil Edwards (From May 2024)

## The Inland Waterways Association

### Reference and administrative information

#### For the year ended 31 December 2023

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<b>Key management personnel</b>	David Pearce	Chief Executive Officer (January 2023 to April 2023)
	Sarah Niblock	Chief Executive Officer (from June to September 2023)
	Tracy Higgin	Administration Manager
	Genevieve Wilson	Finance Manager (until Feb 2023)
	Vedyamala Reddy	Finance Manager (from Feb 2023 to May 2024)
	Ross Field	Operations Manager (from October 2022 to Oct 2023)
	David Smart	General Manager, Essex Waterways Ltd (from Jan 2023)

**Bankers**

Barclays Bank PLC  
1 Churchill Place  
London  
E14 5HP

**Investment advisers**

Quilter Cheviot  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4AB

**Auditor**

Sayer Vincent LLP  
Chartered Accountants and Statutory Auditor  
Invicta House  
110 Golden Lane  
London  
EC1Y 0TG

# **The Inland Waterways Association**

## **Trustees' Annual Report**

### **For the year ended 31 December 2023**

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The trustees present their report and the audited financial statements for the year ended 31 December 2023.

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

## **Objectives and Activities**

### **Purposes and aims**

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

The objects for which the Association is established are:

For the public benefit to advocate the conservation, use, maintenance and development of the inland waterways of the British Isles, the works relating thereto and any craft or buildings or structures now or previously associated therewith, to advocate and promote the restoration and the maintenance in good condition of such waterways and associated craft and buildings and structures and advocate and promote their fullest use for appropriate commercial and recreational purposes.

To educate the public and other bodies about the use and benefits of such waterways whether by the production of leaflet, magazines, the conduct of seminars or workshops or such other means as the Association may from time to time determine.

To promote and commission research into inland waterways and publication of the results of such research.

### **Who we are**

The Inland Waterways Association (IWA) is a charity governed and run by volunteers and supported by a small team of employees. We are the only independent, national charity dedicated to supporting and regenerating Britain's navigable rivers and canals as places for leisure, living and business. We believe that the nation's waterways and surrounding environments are for everyone to enjoy, and we both campaign and take direct action to protect their continued existence.

IWA is a membership organisation comprising both individual and corporate members. The former includes waterways experts, enthusiasts and members of the public, and the latter include waterways-related businesses, non-profit-making organisations interested in restoration,

# The Inland Waterways Association

## Trustees' Annual Report

For the year ended 31 December 2023

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regeneration and the well-being of the inland waterways. We are an association in the true sense of the word and by joining IWA our members help support and regenerate the nation's waterways, for the benefit of all, both now and into the future.

### Why we exist

The Inland Waterways Association was founded in 1946 in response to the very real risk that continued neglect of our historic waterways network would see a precious national asset lost forever.

It is possible to walk or boat along many waterways now because of the tireless campaigning work of IWA and its volunteers over the last 78 years. Over 500 miles of derelict waterways have been brought back to life through the work of IWA, its Waterway Recovery Group and restoration groups. But however well maintained they may appear, our waterways continue to remain under considerable threat – from urban development, inadequate funding, lack of protection, loss of skills and knowledge, over-commercialisation and climate change.

### How we operate

Britain's waterways form a vast, open-air network of working canals and navigable rivers, connecting city and countryside, alive with leisure boats, paddlers, anglers, cyclists, and walkers and are enjoyed by millions. IWA provides ongoing protection to this network, as well as supporting the regeneration of a further 500 miles of currently derelict waterways.

The canals and rivers of England, Wales and Scotland are managed and maintained by a variety of navigation authorities and land managers. IWA works closely with these bodies to influence policy and decision-making, whilst constructively challenging them to work in the best interest of the waterways and public benefit.

We also work with a wide range of national and local authorities, voluntary, charitable, private and public sector organisations. In 2005, IWA's subsidiary company, Essex Waterways Ltd, became a navigation authority itself when it took over management of the Chelmer & Blackwater Navigation. The waterway is now run on a not-for-profit basis, and it is a thriving asset for the benefit of the local community.

IWA actively encourages waterways restoration, providing advice, guidance and hands-on, practical support to local restoration groups. Our Restoration Hub champions waterways restoration and provides supporters with access to the collective knowledge and skills of IWA's active volunteer base and staff, including planning, heritage and engineering professionals. IWA's Waterway Recovery Group, which is well-known in the sector and has a long-established reputation of practical waterway regeneration organises a yearly programme of highly popular, week-long waterway restoration holidays, training for volunteers around the country. It also carries out work parties on many weekends through regional groups.

IWA's work is carried out by a small, dedicated staff team based in Chesham and an active, committed and valued network of volunteers. This includes our local branches, who organise work

parties, hold events, monitor and challenge planning applications that might be detrimental to the waterways, arrange waterside walks and tours, and liaise with a range of local organisations with common interests. IWA also benefits from advisory and operational groups, who work at a national level to support and implement our strategic objectives.

IWA relies on the support of our members, donors and volunteers, as well as income from grant-making bodies and commercial activities to make our waterways better. Membership income is put towards IWA's campaigning and restoration expenditure and covers 44% of total expenditure excluding fundraising costs; the remainder is covered by donations, gifts in wills, grants, trading activities and income from IWA's investments.

## **What we aim to achieve**

### **High-Level Strategic Objectives, 2022–2027**

In 2022, the Board completed a major review of the Association's High-Level Strategic Objectives, and these were formally accepted in January 2023. In January 2024, trustees reviewed them and approved amendments to objectives 1 and 5, and the addition of objective 6.

1. To campaign for the preservation, regeneration, improvement and protection of inland waterways, and to be recognised as the organisation that shapes the national agenda.
2. To inspire more people to use, appreciate and care for their local waterways.
3. To support the transformation of 500 more miles of waterways into places for leisure, living and business.
4. To establish waterways as a key asset for the environment and adapt to the climate emergency.
5. To become a sustainable organisation supported by its members and a diverse and representative board working together and operating as one team across the charity.
6. To promote the interests of all waterway users.

These High-Level Strategic Objectives will focus our efforts, enable better decision-making around our key activities and priorities, and allow us to communicate our ambitions in a clear way across the organisation and to external stakeholders.

## **Statement of Public Benefit**

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

## Achievements and performance

There was an optimistic start to 2023 as strategies had been put in place through late 2022 and early 2023 to bring expenditure closer to income in the following 24 months, and a medium term (one year) strategy had been set out for achieving the 2022–27 Objectives whilst recognising the existential risks identified in the Risk Register at the January 2023 Trustee meeting. However, with two Chief Executive Officers coming and going between January 2023 and September 2023 as well as other staff changes, the lack of continuity made progress difficult.

Nevertheless, it is to the credit of those involved that a successful campaign to protect our waterways from a range of threats was launched in Spring 2023. This led to a wider campaign, in collaboration with many other waterways organisations, to campaign for national and local government to urgently act and protect the public benefit and natural capital of our waterways. *Fund Britain's Waterways* is a coalition of organisations representing hundreds of thousands of users and supporters of inland waterways. As a founder member, and active on the steering group, IWA placed this at the centre of its campaigning agenda.

Campaign cruises in Birmingham, Gloucester and Westminster brought the message to a wide audience and attracted significant media attention, and a petition raised more than 50,000 signatures. The campaign continues to gain momentum and activities have continued to run through 2024.

IWA's publication *Waterways for Today*, which was published in September 2022, continues to be a reference point for campaigning. Due to the difficulties with senior staff continuity, it was necessary to deploy volunteers in some senior management roles in the intervening periods. These volunteers met on a regular basis and brought stability to the Association.

The Association has continued to deliver public benefit through, for example, its programme of Canal Camps. These provide restoration groups with experienced volunteers, mechanised plant, and skilled leadership for a period of concentrated activity to carry out significant projects. The Camps provide opportunities for everyone to volunteer, where they can learn the skills of practical restoration. The Camps have also helped many Duke of Edinburgh participants with their goals. In 2023 these camps hosted over 100 volunteers and included work to rebuild locks on the Derby Canal and the Cotswold Canals, working with Lichfield and Hatherton Canals Restoration Trust on a nature trail and ecology park, and stabilisation work on an historic lock on the Louth Canal.

The annual Restoration Conference, organised jointly by IWA, Canal & River Trust and the Chesterfield Canal Trust brought together about 80 delegates from restoration groups and other waterways bodies from across the country to learn and share knowledge and experience. The theme, *Creating a Sustainable Waterway*, looked at the cycle of restoration from dereliction through to a sustainable future.

# The Inland Waterways Association

## Trustees' Annual Report

### For the year ended 31 December 2023

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The magnificent efforts of dedicated teams of volunteers and staff again produced colourful and memorable waterways events in London at Canalway Cavalcade, and in Pelsall at the Festival of Water. These two IWA-organised events provided an opportunity to show the public what great assets the waterways are, and how important it is to restore and maintain them for the public benefit. IWA also had a presence at other major canal events such as those at Crick, Rickmansworth and Braunston. At a local level too, IWA branches promoted waterways, often working in conjunction with waterway societies and navigation authorities.

Following the departure of the CEO in September 2023, trustees felt that a pause was necessary to allow time for a comprehensive review of the Association's position. Arrangements were put in place for an interim management team to maintain 'business as usual' for outward facing activities including the *Fund Britain's Waterways* campaign, social media and communication with the waterways press as well as leadership of staff and volunteer teams. Simultaneously, a survey of members was carried out, together with an assessment of what a sustainable Association delivering its public benefit could look like based on the income it could generate.

There was good response to the survey and clear indications of the areas that IWA should focus on to attract and retain members, namely campaigning to maintain existing waterways and restoration of formerly navigable waterways. The need to raise the profile of IWA to assist fundraising and campaigning was also made clear. This was followed up with the appointment of named trustees to take responsibility for (a) Campaigns & Navigation, (b) Restoration, (c) Membership & Environment, and (d) Finance.

Trustees reviewed the situation in April 2024 and concluded that there had been progress in steadying management of the Association, in putting finances on a steadier footing, and with the *Fund Britain's Waterways* campaign, in particular. However, there remained other areas that required attention, including rejuvenating the Waterway Restoration Hub, staff leadership, and resource limitations.

### Plans and Strategy for the next 12 months

- Our support and active role in the *Fund Britain's Waterways* campaign will continue.
- We will develop new ways of engaging and influencing the government to promote waterways for leisure living and business.
- The Waterways Restoration Hub will be revitalised, following research into the needs of the waterways restoration sector.
- We will continue with the ongoing work to control expenditure in line with reliable sources of income and improve efficiency and timeliness of financial reporting.
- Despite frustrations in finding suitable candidates of sufficient calibre we intend to appoint a senior employee to lead campaign work and reduce the demands on the volunteer Management Committee
- We will continue to utilise suitable qualified professionals to assist in delivering the Association's aims and objectives, and maintain the high standards of leadership and support given to the waterways sector

## Thank you to IWA volunteers, supporters and employees

IWA would not exist without the generosity of our members and donors, and the successes outlined above would not be achieved without the incredible commitment of our volunteers and employees. By supporting us through membership subscriptions or donations, or by contributing time through volunteering, these individuals ensure our organisation can continue to do such valuable work to support, protect and regenerate the nation's navigable rivers and canals, for everyone to enjoy.

Our national volunteer awards recognise outstanding achievements, and in September 2023 awards were made to:

<b>Richard Bird Medals:</b>	Dave Pearson and Alan Smith.
<b>Christopher Power Prize:</b>	John Dodwell and Montgomery Waterway Restoration Trust
<b>Vivian John Bulkeley Johnson Salt:</b>	John Spencer
<b>Branch Achievement Award:</b>	IWA Birmingham Black Country and Worcestershire Branch
<b>Cyril Styring Award:</b>	Christine Smith

We would like to record our heartfelt thanks to all volunteers, and for the unfailing support of waterway groups, corporate members, and other bodies in our sector, for their amazing contribution to the Association's work, and for their support to IWA's subsidiary company, Essex Waterways Ltd

## Financial review

The main sources of income were subscriptions, legacies and donations. Our subsidiary Essex Waterways Limited runs the Chelmer and Blackwater Navigation on a standalone basis. Its income comes mainly from mooring fees, with growing revenue streams in canoe licences and boat trips. Both IWA and Essex Waterways Ltd have the benefit of very significant voluntary commitment.

In common with many charities, maintaining subscription income has been challenging. In 2023 a small decline in membership retention was offset by an increase in rates to catch up with inflation. We continue to receive donations, and bequests for which we are extremely grateful.

The Charity has looked at all its costs and has made some changes. The Head Office was moved from its former premises at Island House at expiry of its lease to a smaller, serviced office. Where staff have left, they have been replaced only where necessary to continue with core administration and achieving the key objectives.

Canalway Cavalcade once again proved financially successful as well as bringing a vibrant boating spectacle to central London. The Festival of Water at Pelsall made a small loss in challenging conditions. The sale of Christmas cards and calendars once again brought in a useful profit to help both finances and broadcasting IWA's message.

Expenditure on charitable activity was £880,969 (2022: £848,117) which includes £637,524 (2022: £593,585) on our campaigns to protect the waterways. Roughly 22% of this was funded by

# The Inland Waterways Association

## Trustees' Annual Report

### For the year ended 31 December 2023

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membership subscriptions, 35% from unrestricted donation and legacies and a further 3% funded by other charitable activities. Essex Waterways Limited made an operating surplus of £138,415 on trading income of £890,591. Inland Waterways Enterprises Limited did not trade in 2023.

Essex Waterways Ltd had a very successful year financially in 2023, with a new General Manager holding tight reins on expenditure and making trading activities more profitable. Part of the year's surplus was, however, due to a very wet autumn that frustrated some planned maintenance works. Over the 2023 - 2024 winter, the Navigation suffered no less than eight serious flooding events, where much of the Navigation, towpaths and adjacent land was under water for long periods. Fortunately, the previous winter had seen an extensive catch up on lock gate works, and the Navigation has remained in good shape to deal with these challenges and the stresses of ever-increasing numbers of visitors.

## Principal funding sources

The Association's principal funding sources for 2023 were:

	Unrestricted	Restricted
	£	£
Subscriptions from members	384,924	-
Donations	24,291	62,492
Legacies	247,325	981
Investment income	44,353	26,042

Other income is shown in notes 3 to 5 of the financial statements.

## Legacies

The Inland Waterways Association is very grateful for bequests during the year totalling £248,306. Without this generosity it would not be possible for the Association to make the significant contribution it does to protecting and restoring the inland waterways. Our grateful thanks go to:

Graham Christian Bird  
Frank Richard Dawson  
Christopher William Groves  
Joan Shirley Dalby  
Roderick Richard John Brown  
Andrew Piers Crane  
Barbara Catherine Blossom  
Juana Sara Luisa Tinker  
Patricia Avril Barrett

Total incoming resources for the group available during 2023 were £1,890,454 (2022: £1,645,622). This enabled expenditure of £1,808,219, (2022: £1,883,087). After taking account of the gain on

investments of £45,902 (2022: loss of £213,751) the total funds carried forward at the year-end stood at £2,367,331 (2022: £2,239,194).

## Fundraising

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

Fundraising communications posted or emailed to individual members or supporters are few but include annual information about our Club 500. When supporters and volunteers register for our working holiday Canal Camps or purchase moorings or camping pitches for our Festivals we ask if a donation could be made alongside the booking. A new Text to Give facility was established in early 2023 to facilitate donations at events.

We do not make our supporter lists available to third parties and we do not send direct email or postal communications on behalf of third parties.

## Grants

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

Historic England  
Cummins Power Systems  
Northumbrian Water  
Essex County Council

## Investment performance

At 31st December 2023 the value of listed investments was £98,822 and together with the cash held by our investment advisers and awaiting re-investment, amounted to £1,192,642, compared to £1,120,840 at 31st December 2022. During the year investment income amounted to £34,042 (2022: £31,162).

In the first quarter of 2024 the cash held by our investment advisers was re-invested in two portfolios. The larger portfolio is invested in Government securities and other financial instruments to better protect the value of our restricted and designated funds, and therefore these investments are of a short-term nature. The smaller portfolio is invested in equities and is part of the general fund. The decision to use two portfolios was taken after the Investment Policy was approved by the Trustees.

The investment working group will continue to monitor both portfolios during the year. It meets with the investment managers at least twice a year, and the group will continue to monitor closely the performance against the benchmark for the forthcoming year.

## Prior period adjustments

Attention is drawn to note 29 of the accounts, prior period adjustments, which details an adjustment between restricted and unrestricted funds. For many years up to the 2018 accounts all investment earnings were attributed to unrestricted funds and income at bank deposit rates were attributed to restricted funds. For 2019 to 2022, deposit interest rates were so low that no interest was applied to restricted funds. The Trustees have now been advised that, given the extent to which the Association's investment portfolio represents unspent restricted funds, the restricted funds should bear and should previously have borne an appropriate proportion of the investment gains and losses, dividend income and investment management fees. This adjustment corrects for this.

## Key policies

### Investment policy

#### 1. Introduction

The overall financial objective is in two distinct parts:

1. for restricted and designated funds, short-term reserves, bonds of not less than class AAA or Gilts emphasising certainty of value, for which purposes the sum of £1M has been allocated for 2024 and will be reviewed regularly,
2. for general funds, longer-term, invested to support the reserve policy

#### 2. Investment objective is

- to produce best financial return with a negligible level of risk for the restricted and designated funds
- to produce a total return of at least Consumer Price Index plus 3.5% for the long-term funds held

#### 3. Risk for Longer Term Funds

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

# The Inland Waterways Association

## Trustees' Annual Report

For the year ended 31 December 2023

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### 4. Liquidity

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

### 5. Time Horizon

- restricted and designated funds: less than 3 years
- free reserve: greater than 3 years

### 6. Ethical Policy

- invested in line with the Association aims and giving due consideration to environmental, social, and governance factors

### 7. Management, Reporting and Monitoring

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

## Principal risks and uncertainties

Maintaining a regular review of risk is one of trustees' key duties. Since 2020 the trustees have maintained a working group, which carries out a thorough review of Risk Management.

The working group, which includes key trustees with differing backgrounds and experience, keeps the Risk Register under review and reports periodically to the board of trustees via the finance committee. The trustees have a clear picture of where IWA needs to be focusing its energy and resources. The finance committee, on behalf of the board of trustees, is responsible for setting the levels for risk appetite.

In early 2023, a medium-term strategy was produced with the principal risks in mind, which was approved by trustees. It included a continued focus on achieving a balanced budget through income generation and cost control, establishing a strategy for campaigns, improving communications and engagement, and an emphasis on retention and recruitment of volunteers, working as 'One IWA' and better engagement with regions and branches. Whilst the Register has been tweaked at various times during the year and in the first half of 2024, major preoccupations have been the challenges of controlling expenditure within the bounds of reliable income, and finding suitably capable senior campaign staff to relieve the Management Committee and trustees of its current high levels of hands-on management. The Association's financial position has improved during the year, as set out above and in the financial statements, but the appointment of senior staff remains a frustrating process.

## Reserves Policy and Going Concern

### Reserves policy

The Association's reserves are available for use in furtherance of the charitable objectives of the Association. They consist of the General Fund, reduced by:

- The value of fixed assets after depreciation
- Restricted funds.
- Designated funds.
- Any loans or guarantees agreed, whether or not drawn down
- Any firm commitments made.

Restricted funds are either:

- Set aside for specific projects or purposes in accordance with the instructions or intentions of the donors.
- Allocated and irrevocably committed to the intended recipient.

Designated funds are:

- Funds from larger legacies that have not been placed in restricted funds, but which trustees felt should, where possible, be applied to specific projects or areas.
- Funds allocated or offered to an intended recipient, but for which there is not yet an irrevocable commitment.
- Funds held by branches and regions.

Where expenditure fulfils the criteria of a restricted fund, it is usually charged against that fund, rather than against General Funds.

The Association's income and expenditure may vary from year to year, because of:

- Changes in the value of its investments
- Variable income, such as legacies and donations.
- Fluctuations in membership income.
- Urgent major expenditure on waterway restoration or campaign

The Association should therefore hold sufficient reserves to cover its operating costs for a minimum of six months, which would enable it to continue its activities and to manage any financial or operational difficulty that could arise.

Based on the risk assessments it has carried out, trustees have therefore concluded that IWA's reserves should lie between £350,000 and £650,000. £150,000 should be held in liquid funds.

The level of charity free reserves at 31 December 2023 was as follows:

<b>Free Funds</b>	<b>£</b>
General fund	497,519
Less unrestricted tangible fixed assets	(12,689)

# The Inland Waterways Association

## Trustees' Annual Report

For the year ended 31 December 2023

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Less unrestricted intangible assets	(7,981)
Adjusted Free Funds	476,849

### Going concern statement

The trustees have carried out a detailed assessment of the organisation's going concern status. The assessment utilises the use of only the General Fund, excluding fixed assets as well as ignoring Restricted Funds.

Projections of the income and expenditure and of the resulting cashflow have been tested through several scenarios. Areas of higher risk, such as falls in the value of investments and reduction in legacy income, have received particular attention.

The Association benefits from a variety of income streams, some more stable and dependable than others. This does, however, spread the risk of a significant reduction in income.

The directors of Essex Waterways Ltd have carried out a similar exercise. Potential risk areas include increased inflation, cost-of-living pressures and large unplanned maintenance costs resulting from the failure of a navigation asset.

Both the Finance Committee and the trustees have reviewed and challenged the assessments and are satisfied that the group will be able to meet its liabilities as they fall due for at least the twelve months from the date the annual accounts are approved. In the case of particularly severe and sustained falls in the value of investments, additional mitigating actions have been identified.

The financial projections for 2024 and 2025 are deemed to be grounded and in some areas conservative. The assumptions indicate a stable prudent financial position. The budgets have been prepared with a balanced approach with a stable income projection from membership, controlled expenses growth and seeks to diversify income streams. For these reasons, the board continues to adopt the going concern basis in preparing the financial statements.

## Structure, Governance and Management

### Organisation

The Board of Trustees consists of eleven members. Trustees held eleven formal Board meetings during 2023.

There are four principal committees of the Board of Trustees:

- Management Committee
- Finance Committee
- Navigation Committee
- Waterway Recovery Group

## The Inland Waterways Association

### Trustees' Annual Report

#### For the year ended 31 December 2023

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The Management Committee usually meets at least monthly. Other committees usually meet four to six times per annum. There are a range of sub-committees, working groups and advisory panels, including Remuneration Committee, reporting directly to trustees, or reporting to other parts of the Association.

The day-to-day operations of the charity are managed by a staff team in Chesham office who report to the Management Committee. To facilitate effective operations, the Management Committee has the delegated authority, within the terms of delegation approved by the trustees, for operational matters including finance and employment.

#### Trustee remuneration and insurance

No trustee received any remuneration in respect of services to the Association, other than reimbursement of expenses incurred in providing such services. A premium in respect of trustee indemnity insurance for members of the trustee board of £876 including Insurance Premium Tax was paid during the year (2022: £525).

#### Remuneration policy for key management personnel

A Remuneration Committee, comprising the chair of Finance Committee, the national chair and two other members appointed annually by trustees, reviews the remuneration of senior employees, and takes into consideration current market conditions for the functions and performance of the relevant employees.

#### Governing documents

The Inland Waterways Association is a charitable company limited by guarantee, incorporated on 2 October 1958. It is governed by its Articles of Association, which were last updated at the AGM on 24 September 2016. The charitable company's objects and powers were initially set out in a Memorandum of Association that is now incorporated in the Articles of Association

IWA registered as a charity on 17 December 1962 and remains registered with the Charity Commission. Each member agrees to contribute £1 in the event of the charity winding up.

#### Related parties and relationships with other organisations

The Inland Waterways Association has three subsidiary companies:

- Essex Waterways Limited, which began trading in November 2005, and manages the Chelmer & Blackwater Navigation. The Company enjoys the support of Chelmsford City Council, Essex County Council, Northumbrian Water and Maldon District Council. It is a member of the Association of Inland Navigation Authorities.
- Inland Waterways Enterprises Limited began trading in August 2017 to undertake certain commercial activities to support IWA. It did not trade in 2023.
- Waterway Recovery Group Ltd is dormant and is maintained to protect the name. Waterway Recovery Group is a trading name of the Association.

## The Inland Waterways Association

### Trustees' Annual Report

#### For the year ended 31 December 2023

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

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

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

#### Appointment of trustees

The trustee recruitment process is based on a skills audit and is usually carried out by a working group appointed by trustees, or occasionally by trustees direct to fulfil a particular need. The working group's 2023 recommendations were put to the AGM for approval by the membership. Terms of office are usually for three years with a maximum of four consecutive terms before a three-year break must be taken. The appointment of trustees is staggered over a three-year period. All trustees are members of the Association. No trustee appointments are made by outside bodies.

#### Trustee induction and training

New trustees are provided with a list of documents for recommended study and invited to attend induction sessions where they are given introductions to the activities of each team, as well as time speaking directly with the staff at the Chesham office. New trustees are also provided with informal guidance from existing trustees.

#### Statement of responsibilities of the trustees

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

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

- Select suitable accounting policies and then apply them consistently.

## The Inland Waterways Association

### Trustees' Annual Report

#### For the year ended 31 December 2023

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- Observe the methods and principles in the Charities Statement of Recommended Practice.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

In so far as the trustees are aware:

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

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2023 was £9,282 (2022: £10,329). The trustees are members of the charity, but this entitles them only to the same voting rights as any other member. The trustees have no beneficial interest in the charity.

### Auditor

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

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

## **The Inland Waterways Association**

### **Trustees' Annual Report**

**For the year ended 31 December 2023**

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The trustees' annual report has been approved by the trustees on 19th August 2024 and signed on their behalf by

Michael Wills  
National Chair

## Independent auditor's report

To the members of

The Inland Waterways Association

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### Opinion

We have audited the financial statements of The Inland Waterways Association (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2023 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

## Independent auditor's report

To the members of

The Inland Waterways Association

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### Other Information

The other information comprises the information included in the trustees' annual report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information, and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

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

## Independent auditor's report

To the members of

The Inland Waterways Association

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### Responsibilities of trustees

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

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

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

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

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

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

### Capability of the audit in detecting irregularities

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

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

## Independent auditor's report

To the members of

### The Inland Waterways Association

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

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

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

## Use of our report

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

## **Independent auditor's report**

**To the members of**

**The Inland Waterways Association**

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company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller (Senior statutory auditor)

17 September 2024

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 110 Golden Lane, LONDON, EC1Y 0TG

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

The Inland Waterways Association

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

For the year ended 31 December 2023

	Note	Unrestricted £	Restricted £	2023 Total £	Restated (see note 29) 2022 Unrestricted £	Restated (see note 29) 2022 Restricted £	2022 Total £
<b>Income from:</b>							
Donations, legacies and membership subscriptions	2	656,540	63,473	720,013	573,587	66,266	639,853
Charitable activities	3	27,592	15,469	43,061	28,937	26,630	55,567
Other trading activities	4	1,055,124	1,861	1,056,985	886,479	1,374	887,853
Investments	5	44,353	26,042	70,395	36,717	25,632	62,349
<b>Total income</b>		<b>1,783,609</b>	<b>106,845</b>	<b>1,890,454</b>	<b>1,525,720</b>	<b>119,902</b>	<b>1,645,622</b>
<b>Expenditure on:</b>							
Raising funds	6	918,400	8,850	927,250	1,025,178	9,791	1,034,969
Charitable activities							
Campaign and restoration costs	6	510,302	127,222	637,524	532,361	61,223	593,585
Membership support costs	6	237,355	-	237,355	250,936	-	250,936
Public meetings and other activities	6	6,090	-	6,090	3,596	-	3,596
<b>Total expenditure</b>		<b>1,672,147</b>	<b>136,072</b>	<b>1,808,219</b>	<b>1,812,071</b>	<b>71,014</b>	<b>1,883,087</b>
<b>Net income / (expenditure) before net gains / (losses) on investments</b>		<b>111,462</b>	<b>(29,227)</b>	<b>82,235</b>	<b>(286,351)</b>	<b>48,887</b>	<b>(237,465)</b>
Net gains / (losses) on investments	16	10,787	35,115	45,902	(37,933)	(175,818)	(213,751)
<b>Net income / (expenditure) for the year</b>	8	<b>122,249</b>	<b>5,888</b>	<b>128,137</b>	<b>(324,284)</b>	<b>(126,930)</b>	<b>(451,216)</b>
Transfers between funds		1,000	(1,000)	-	18,000	(18,000)	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>123,249</b>	<b>4,888</b>	<b>128,137</b>	<b>(306,284)</b>	<b>(144,930)</b>	<b>(451,216)</b>
Gains on revaluation of investment property		-	-	-	-	32,000	32,000
<b>Net movement in funds</b>		<b>123,249</b>	<b>4,888</b>	<b>128,137</b>	<b>(306,284)</b>	<b>(112,930)</b>	<b>(419,214)</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		859,863	1,379,331	2,239,194	1,343,504	1,314,904	2,658,408
Prior period adjustment	29	-	-	-	(177,357)	177,357	-
Total funds brought forward (as restated)		-	-	-	1,166,147	1,492,261	2,658,408
<b>Total funds carried forward</b>		<b>983,112</b>	<b>1,384,219</b>	<b>2,367,331</b>	<b>859,863</b>	<b>1,379,331</b>	<b>2,239,194</b>

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

As at 31 December 2023

	Note	Group 2023 £	Restated (see note 29) 2022 £	Charity 2023 £	Restated (see note 29) 2022 £
<b>Fixed assets:</b>					
Intangible assets	13	7,981	63,642	7,981	63,642
Tangible assets	14	252,106	295,510	12,689	10,881
Investment properties	15	375,000	375,000	375,000	375,000
Investments	16	1,192,644	1,120,840	1,192,648	1,140,893
		<b>1,827,731</b>	1,854,992	<b>1,588,318</b>	1,590,416
<b>Current assets:</b>					
Stock	19	14,029	13,347	11,748	13,347
Debtors	20	179,425	119,137	135,569	110,544
Cash at bank and in hand		678,252	499,377	488,514	427,496
		<b>871,706</b>	631,861	<b>635,831</b>	551,387
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	21	(328,443)	(224,798)	(181,508)	(114,830)
<b>Net current assets</b>		<b>543,263</b>	407,063	<b>454,323</b>	436,557
<b>Total assets less current liabilities</b>		<b>2,370,994</b>	2,262,055	<b>2,042,641</b>	2,026,973
Creditors: amounts falling due after one year	23	(3,663)	(22,861)	(3,663)	(4,069)
<b>Total net assets</b>		<b>2,367,331</b>	2,239,194	<b>2,038,978</b>	2,022,904
<b>The funds of the charity:</b>	25				
Restricted income funds		1,384,219	1,379,331	1,357,771	1,349,596
Unrestricted income funds:					
Designated funds		183,688	235,480	183,688	235,480
Revaluation reserve		10,690	10,690	-	-
General funds		788,734	613,693	497,519	437,828
Total unrestricted funds		<b>983,112</b>	859,863	<b>681,207</b>	673,308
<b>Total charity funds</b>		<b>2,367,331</b>	2,239,194	<b>2,038,978</b>	2,022,904

Approved by the trustees on 19 August 2024 and signed on their behalf by

Michael Wills  
National Chair

The Inland Waterways Association

Statement of cash flows

For the year ended 31 December 2023

	Note	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Net income / (expenditure) for the reporting period (as per the statement of financial activities)		128,137		(451,216)	
Amortisation charges		18,462		18,254	
Depreciation charges		52,764		48,736	
(Gains) / losses on investments		(45,902)		213,751	
Dividends, interest and rent from investments		(70,395)		(62,349)	
Loss on the disposal of fixed assets		37,199		-	
(Increase) in stocks		(682)		(2,818)	
(Increase) / decrease in debtors		(60,288)		134,843	
Increase / (decrease) in creditors		103,645		(32,701)	
<b>Net cash provided by / (used in) operating activities</b>			<b>162,940</b>		<b>(133,500)</b>
<b>Cash flows from investing activities:</b>					
Bank interest received		5,616		471	
Investment income received		64,779		61,878	
Purchase of fixed asset investments		(179,839)		(289,665)	
Purchase of tangible fixed assets		(9,360)		(18,887)	
Proceeds from sale of fixed asset investments		1,240,146		393,485	
<b>Net cash used in investing activities</b>			<b>1,121,342</b>		<b>141,689</b>
<b>Cash flows from financing activities:</b>					
Loan repayment including interest		(19,198)		(6,653)	
<b>Net cash used in financing activities</b>			<b>(19,198)</b>		<b>(6,653)</b>
<b>Change in cash and cash equivalents in the year</b>			<b>1,265,084</b>		<b>1,536</b>
Cash and cash equivalents at the beginning of the year			<b>506,988</b>		<b>505,452</b>
<b>Cash and cash equivalents at the end of the year</b>			<b>1,772,072</b>		<b>506,988</b>
<b>Analysis of cash and cash equivalents and of net debt</b>					
	At 1 January 2023 £	Cash flows £	Other non- cash changes £	<b>At 31 December 2023 £</b>	
Cash at bank and in hand	499,377	178,875	-	<b>678,252</b>	
Investment cash	7,611	1,086,209	-	<b>1,093,820</b>	
<b>Total cash and cash equivalents</b>	<b>506,988</b>	<b>1,265,084</b>	<b>-</b>	<b>1,772,072</b>	

**1 Accounting policies**

**a) Statutory information**

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

The registered office address is Unit 16B First Floor, Chiltern Court, Asheridge Road, Chesham, HP5 2PX

**b) Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006/Charities Act 2011.

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

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below. The accounts are prepared as full values however are presented to the nearest £1. This may cause trivial rounding errors in the financial statements.

These financial statements consolidate the results of the charity and its wholly-owned subsidiaries Inland Waterways Enterprises Limited, and Essex Waterways Limited, on a line by line basis. Transactions and balances between the charity and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented.

**c) Public benefit entity**

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

**d) Going concern**

The trustees have carried out a detailed assessment of the organisation's going concern status. Projections of the financial position and cashflow of unrestricted funds have been tested through scenarios where areas of higher risk, such as investment valuation, inflation, membership income, legacy income and fundraising, cause deterioration in financial performance in 2024 and/or 2025. The Board and its Finance Committee reviewed and challenged the assessment, with the final paper and conclusions documented.

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

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

**1 Accounting policies (continued)**

**e) Income**

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

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

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

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

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

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

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

**g) Interest receivable**

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

**h) Fund accounting**

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

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

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

**1 Accounting policies (continued)**

**i) Expenditure and irrecoverable VAT**

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

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of campaigning and restoration activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

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

**j) Grants payable**

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

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

**k) Allocation of support costs**

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

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

- |  |     |
|--|-----|
| ● Raising funds                        | 51% |
| ● Campaign and restoration costs       | 35% |
| ● Membership support costs             | 13% |
| ● Public meetings and other activities | 0%  |

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

**l) Operating leases**

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

**m) Intangible fixed assets**

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

- |               |           |
|---------------|-----------|
| ● IT software | 3–7 years |
| ● Website     | 4 years   |

**1 Accounting policies (continued)**

**n) Tangible fixed assets**

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

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

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

● Computer equipment	3 to 4 years
● Plant and equipment	3 to 10 years
● Motor vehicles	4 years
● Boats and canoes	4 to 20 years
● Buildings and leasehold improvements	4 to 10 years

**o) Investment properties**

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

**p) Listed investments**

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

**q) Investments in subsidiaries**

Investments in subsidiaries are at cost.

**r) Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. In general, cost is determined on a first in first out basis and includes transport and handling costs. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated items of stock, held for distribution or resale, are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

**s) Debtors**

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

1 Accounting policies (continued)

t) Cash at bank and in hand

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

u) Creditors and provisions

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

v) Financial instruments

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

2 Income from donations, legacies and membership subscriptions

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Donations	24,291	62,492	86,783	26,232	27,362	53,594
Legacies	247,325	981	248,306	205,578	38,904	244,482
Membership subscriptions	384,924	-	384,924	341,777	-	341,777
	<u>656,540</u>	<u>63,473</u>	<u>720,013</u>	<u>573,587</u>	<u>66,266</u>	<u>639,853</u>

IWA has been notified of legacies with an estimated value of £526,709 (2022: £195,000) which have not been included in income for the year ended 31 December 2023, because either probate has not been received or IWA is not satisfied that the amount receivable can be reliably measured. The amount of £526,709 includes £300,000 of legacies attributable to the restricted funds for specified capital projects for the preservation and improvement of the Inland Waterways.

3 Income from charitable activities

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Publications income	2,974	-	2,974	3,080	-	3,080
Public meetings and other activities	7,402	-	7,402	5,559	-	5,559
Grant income	3,898	15,469	19,367	6,693	26,483	33,176
Fundraising	13,318	-	13,318	13,605	147	13,752
Total income from charitable activities	<u>27,592</u>	<u>15,469</u>	<u>43,061</u>	<u>28,937</u>	<u>26,630</u>	<u>55,567</u>

The Inland Waterways Association

Notes to the financial statements

For the year ended 31 December 2023

4 Income from other trading activities

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Navigation management income	890,685	-	<b>890,685</b>	737,338	-	737,338
Charitable trading	7,367	-	<b>7,367</b>	6,926	-	6,926
Other events and activities	157,072	1,861	<b>158,933</b>	142,215	1,374	143,589
	<u>1,055,124</u>	<u>1,861</u>	<u><b>1,056,985</b></u>	<u>886,479</u>	<u>1,374</u>	<u>887,853</u>

5 Income from investments

	Unrestricted £	Restricted £	2023 Total £	Restated Unrestricted £	Restated Restricted £	2022 Total £
Rental income	30,737	-	<b>30,737</b>	30,716	-	30,716
Bank interest	5,616	-	<b>5,616</b>	471	-	471
Income from quoted investments	8,000	26,042	<b>34,042</b>	5,530	25,632	31,162
	<u>44,353</u>	<u>26,042</u>	<u><b>70,395</b></u>	<u>36,717</u>	<u>25,632</u>	<u>62,349</u>

The Inland Waterways Association

Notes to the financial statements

For the year ended 31 December 2023

6a Analysis of expenditure (current year)

	Charitable activities						2023 Total £	2022 Total £
	Raising funds £	Campaign and restoration costs £	Membership support costs £	Public meetings and other activities £	Governance costs £	Support costs £		
Staff costs (Note 9)	445,004	193,225	193,920	-	6,859	27,615	<b>866,623</b>	982,566
Building and infrastructure costs	146,565	-	-	-	-	37,774	<b>184,339</b>	137,206
Meeting, travel and officers' expenses	1,084	10,914	-	-	100	2,617	<b>14,715</b>	6,832
Donations and grants	-	61,087	-	-	-	-	<b>61,087</b>	42,015
Work Party costs	-	6,878	-	-	-	-	<b>6,878</b>	10,528
WRG restoration costs	-	103,156	-	-	-	-	<b>103,156</b>	75,553
Campaign costs	-	64,652	-	-	-	-	<b>64,652</b>	68,177
Other direct costs	1,268	23,917	-	-	-	50,000	<b>75,185</b>	25,945
Restoration Hub	-	26,173	-	-	-	-	<b>26,173</b>	15,943
Membership and recruitment	-	26,799	17,988	-	-	-	<b>44,787</b>	35,560
Public meetings and other activities	-	-	-	5,437	-	-	<b>5,437</b>	3,357
Depreciation and amortisation	16,495	31,132	-	-	-	23,647	<b>71,274</b>	66,990
Investment management costs	7,273	-	-	-	-	-	<b>7,273</b>	7,909
Bank charges	6,917	-	-	-	-	-	<b>6,917</b>	13,668
Navigation management costs	172,902	21,243	-	-	250	2,824	<b>197,219</b>	318,381
Charitable trading	4,680	-	-	-	-	-	<b>4,680</b>	2,579
Other events and activities	25,652	-	-	-	-	-	<b>25,652</b>	35,948
Audit & accountancy fees	-	-	-	-	34,453	-	<b>34,453</b>	27,516
Legal and professional services	-	-	-	-	-	6,779	<b>6,779</b>	5,510
Trustee indemnity insurance costs	-	-	-	-	-	-	-	525
AGM and other meeting costs	-	-	-	-	938	-	<b>938</b>	378
	<b>827,840</b>	<b>569,176</b>	<b>211,908</b>	<b>5,437</b>	<b>42,600</b>	<b>151,257</b>	<b>1,808,219</b>	<b>1,883,087</b>
Support costs	77,564	53,329	19,855	509	-	(151,257)	-	-
Governance costs	21,845	15,020	5,592	144	(42,600)	-	-	-
<b>Total expenditure 2023</b>	<b>927,250</b>	<b>637,524</b>	<b>237,355</b>	<b>6,090</b>	<b>-</b>	<b>-</b>	<b>1,808,219</b>	
Total expenditure 2022	1,034,969	593,585	250,936	3,596	-	-		<b>1,883,087</b>

The Inland Waterways Association

Notes to the financial statements

For the year ended 31 December 2023

6b Analysis of expenditure (prior year)

	Charitable activities						2022 Total £
	Raising funds £	Campaign and restoration costs £	Membership support costs £	Public meetings and other activities £	Governance costs £	Support costs £	
Staff costs (Note 9)	534,608	205,296	206,034	-	7,288	29,340	982,566
Building and infrastructure costs	3,753	77,872	19,845	-	7,110	28,626	137,206
Meeting, travel and officers' expenses	-	6,760	-	-	72	-	6,832
Donations and grants	-	42,015	-	-	-	-	42,015
Work Party costs	-	10,528	-	-	-	-	10,528
WRG restoration costs	-	75,553	-	-	-	-	75,553
Campaign costs	-	68,177	-	-	-	-	68,177
Other direct costs	2,286	23,659	-	-	-	-	25,945
Restoration Hub	-	15,943	-	-	-	-	15,943
Membership and recruitment	-	27,200	8,360	-	-	-	35,560
Public meetings and other activities	-	-	-	3,357	-	-	3,357
Depreciation and amortisation	46,969	1,086	-	-	-	18,935	66,990
Investment management costs	7,909	-	-	-	-	-	7,909
Bank charges	13,668	-	-	-	-	-	13,668
Navigation management costs	318,381	-	-	-	-	-	318,381
Charitable trading	2,579	-	-	-	-	-	2,579
Other events and activities	35,948	-	-	-	-	-	35,948
Audit fees	-	-	-	-	27,516	-	27,516
Legal and professional services	-	-	-	-	-	5,510	5,510
Trustee indemnity insurance costs	-	-	-	-	525	-	525
AGM and other meeting costs	-	-	-	-	378	-	378
	966,101	554,088	234,239	3,357	42,889	82,411	1,883,087
Support costs	45,294	25,978	10,982	157	-	(82,411)	-
Governance costs	23,573	13,519	5,715	82	(42,889)	-	-
<b>Total expenditure 2022</b>	<b>1,034,969</b>	<b>593,585</b>	<b>250,936</b>	<b>3,596</b>	<b>-</b>	<b>-</b>	<b>1,883,087</b>

**The Inland Waterways Association**

**Notes to the financial statements**

**For the year ended 31 December 2023**

**7a Grant making (current year)**

<b>Cost</b>	Grants to institutions £	<b>2023</b> £
Swansea Canal Society Coed Park Slipway project	9,092	<b>9,092</b>
Devon County Council for Grand Western Canal	6,287	<b>6,287</b>
Friends of Exeter Ship Canal	1,710	<b>1,710</b>
The Rolle Canal & Northern Devon Waterways Society	11,570	<b>11,570</b>
Stover Canal Trust	3,600	<b>3,600</b>
Other grants and donations	28,828	<b>28,828</b>
At the end of the year	<u>61,087</u>	<u><b>61,087</b></u>

The grant payments to Swansea Canal Society were made from the Waterways In Progress Fund, which waterways groups were invited to bid for in 2019, to run projects that promote the benefit of restoration schemes.

The grant payment to Devon County Council was made for the purchase of new video display screens and electricity cabling to be installed in existing units in the visitor centre at Tiverton Basin on the Grand Western Canal.

The grant payment to the Friends of Exeter Ship Canal was in connection with a feasibility study for saving Gabriel's Wharf on the Canal from development.

The grant payment to the Rolle Canal & Northern Devon Waterways Society was made to assist the society investigate, preserve and explain the heritage Ridd Inclined Plane.

The grant payment to the Stover Canal Trust was made to assist it with its project for relining and rewatering Ventiford Basin at the head of the Stover canal.

**7b Grant making (prior year)**

<b>Cost</b>	Grants to institutions £	<b>2022</b> £
Langport Town Council	2,490	<b>2,490</b>
Swansea Canal Society Coed Park Slipway project	15,256	<b>15,256</b>
Wilts & Berks Canal Trust Shrivensham Canal Park project	13,362	<b>13,362</b>
Other grants	10,907	<b>10,907</b>
At the end of the year	<u>42,015</u>	<u><b>42,015</b></u>

**8 Net income / (expenditure) for the year**

This is stated after charging / (crediting):

	<b>2023</b> £	2022 £
Depreciation and amortisation	<b>71,226</b>	66,990
Operating lease rentals	<b>66,720</b>	72,638
Auditor's remuneration (excluding VAT):		
Audit	<b>23,200</b>	21,700
Other services	<b>6,230</b>	4,150
	<u><b>6,230</b></u>	<u>4,150</u>

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

Staff costs were as follows:

	<b>2023</b> £	2022 £
Salaries, wages and related costs	<b>758,834</b>	865,464
Social security costs	<b>57,512</b>	68,808
Employer's contribution to defined contribution pension schemes	<b>50,277</b>	48,294
	<u><b>866,623</b></u>	<u>982,566</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	<b>2023</b> No.	2022 No.
£60,000 – £69,999	<u><b>1</b></u>	<u>–</u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £286,355 (2022: £292,136).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

During the year 6 (2022: 4) members were reimbursed travel and incidental expenses incurred in respect of their services to the Group totalling £2,287 (2022: £1,758). Included in creditors at the year end is £nil (2022: £nil) owed to Trustees for their expenses. The premium for trustee indemnity insurance for members of the Board of Trustees was £876 (2022: £525).

**10 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was 46 (2022: 61). The total number of employees include a significant number of part time and seasonal staff.

**11 Related party transactions**

During the year the company purchased goods (net of VAT) totalling £5,662 (2022: £9,381) from Chandler Material Supplies Limited, a company controlled by family members related to Roy Chandler, a director of Essex Waterways Limited. The balance due to Chandler Material Supplies Limited as at 31 December 2023 was £405 (2021: £150). All transactions were undertaken on a commercial arm's length basis. Aggregate donations from related parties were £2,565 (2022: £nil).

**12 Taxation**

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

**13 Intangible fixed assets**

	IT software and website	Total
Group and Charity Cost	£	£
At the start of the year	96,937	96,937
Additions in year	-	-
Disposals in year	(64,043)	(64,043)
At the end of the year	32,894	32,894
<b>Amortisation</b>		
At the start of the year	33,295	33,295
Charge for the year	18,462	18,462
Eliminated on disposal	(26,844)	(26,844)
At the end of the year	24,913	24,913
<b>Net book value At the end of the year</b>	7,981	7,981
At the start of the year	63,642	63,642

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

**14 Tangible fixed assets**

	Buildings and leasehold improvements	Computer equipment	Plant and equipment	Motor vehicles	Total
Group Cost	£	£	£	£	£
At the start of the year	38,188	20,769	636,521	185,425	880,903
Additions in year	-	1,014	8,346	-	9,360
Disposals in year	-	-	-	-	-
At the end of the year	38,188	21,783	644,867	185,425	890,263
<b>Depreciation</b>					
At the start of the year	18,136	14,401	368,965	183,891	585,393
Charge for the year	4,998	2,291	44,366	1,109	52,764
Eliminated on disposal	-	-	-	-	-
At the end of the year	23,134	16,692	413,331	185,000	638,157
<b>Net book value At the end of the year</b>	15,054	5,091	231,536	425	252,106
At the start of the year	20,052	6,368	267,556	1,534	295,510
		Computer equipment	Plant and equipment	Motor vehicles	Total
<b>Charity Cost</b>		£	£	£	£
At the start of the year		20,769	107,203	164,393	292,365
Additions in year		1,014	6,222	-	7,236
Disposals in year		-	-	-	-
At the end of the year		21,783	113,425	164,393	299,601
<b>Depreciation</b>					
At the start of the year		14,401	102,690	164,393	281,484
Charge for the year		2,292	3,136	-	5,428
Eliminated on disposal		-	-	-	-
At the end of the year		16,693	105,826	164,393	286,912
<b>Net book value At the end of the year</b>		5,090	7,599	-	12,689
At the start of the year		6,368	4,513	-	10,881

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

The Inland Waterways Association

Notes to the financial statements

For the year ended 31 December 2023

15 Investment properties

	2023 £	2022 £
<b>Group and charity</b>		
Fair value at the start of the year	375,000	375,000
Additions	-	-
Disposals	-	-
Revaluation during the year	-	-
Fair value at the end of the year	<u>375,000</u>	<u>375,000</u>

A professional valuation carried out by Berrys, property advisors, reported a value of £375,000 at 31 December 2023.

As the property cannot be sold, the professional valuation is assessed on the basis of the right to receive rental income. A tenancy contract was in place at 31 December 2023, achieving a rental in line with that assumed in the valuation.

16 Investments

	2023 £	2022 £
Fair value at the start of the year	1,113,227	1,430,799
Additions at cost	179,839	289,665
Disposal proceeds	(1,240,146)	(393,485)
Net gain / (loss) on change in fair value	45,902	(213,751)
	<u>98,824</u>	<u>1,113,227</u>
Cash held by investment advisors pending reinvestment	1,093,820	7,612
Fair value at the end of the year	<u>1,192,644</u>	<u>1,120,840</u>

The Association seeks to produce the best financial return, preserve the capital value with a minimum level of risk. In December 2023 a significant portion of stocks were liquidated, and re-invested in short terms bonds in Q1 2024.

Investments comprise:

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Listed investments	98,824	1,113,229	98,824	1,113,229
Loan to Essex Waterways Ltd	-	-	-	20,049
Cash deposits	1,093,820	7,612	1,093,820	7,612
Shares in subsidiary companies	-	-	4	4
	<u>1,192,644</u>	<u>1,120,840</u>	<u>1,192,648</u>	<u>1,140,893</u>

The loan to Essex Waterways Limited was secured by a fixed and floating charge over all the assets of the company, an interest rate of Barclays bank's base rate plus 3% is repayable annually. In 2023, the loan was fully repaid.

**Name**

Wholly owned subsidiaries of the charity:

Essex Waterways Limited  
Inland Waterways Enterprises Ltd  
Waterway Recovery Group Ltd

**Business activity**

Manages the Chelmer & Blackwater Navigation  
Dormant  
Dormant

Inland Waterways Enterprises Ltd was not actively trading in 2023 and was made dormant in 2023. In 2022, Inland Waterways Enterprises Ltd was actively trading, but did not meet the trading limit and therefore had its income and expenses transferred over to Inland Waterways Association.

17 Subsidiary undertaking

The Charity owns the whole of the issued ordinary share capital of Essex Waterways Limited, company number 05545459. Essex Waterways Limited is registered in England and details of their activities are given in note 16. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities.

A summary of the results of Essex Waterways Limited is shown below:

	2023 £	2022 £
Turnover	890,591	815,875
Cost of sales	(53,033)	(81,149)
<b>Gross profit/(loss)</b>	<b>837,558</b>	<b>734,726</b>
Operating costs	(674,166)	(749,792)
Administrative expenses	(24,344)	(14,515)
Management charge payable to parent undertaking	-	(27,250)
<b>Profit/(loss) on ordinary activities before interest and taxation</b>	<b>139,048</b>	<b>(56,831)</b>
Interest receivable and similar income	1,523	198
Interest payable	(2,156)	(1,936)
Interest payable to parent undertaking	-	(847)
<b>Profit / (loss) on ordinary activities before taxation</b>	<b>138,415</b>	<b>(59,416)</b>
Taxation on profit on ordinary activities	-	-
<b>Profit / (loss) for the financial year</b>	<b>138,415</b>	<b>(59,416)</b>
<b>Retained earnings</b>		
Total retained earnings brought forward	179,152	238,568
Profit / (loss) for the financial year	138,415	(59,416)
Distribution under Gift Aid to parent charity	-	-
<b>Total retained earnings carried forward</b>	<b>317,567</b>	<b>179,152</b>
The aggregate of the assets, liabilities and reserves was:		
Assets	475,290	382,641
Liabilities	(147,032)	(192,797)
<b>Reserves</b>	<b>328,258</b>	<b>189,844</b>

Essex Waterways Limited's total reserves of £328,258 include a £10,690 revaluation reserve and £1 share capital, as well as its retained earnings.

The subsidiary owed its parent £nil (2022: £43,304) at year end. In the prior year, the sum owed to the parent is made up of £23,255 for recharges and £20,049 as a loan to finance Essex Waterways Limited's fixed assets.

18 Parent charity

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

	2023 £	2022 £
Gross income	1,045,451	928,045
Result for the year	(10,374)	(321,401)

19 Stock

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Goods for resale	14,029	13,347	11,748	13,347
	<b>14,029</b>	<b>13,347</b>	<b>11,748</b>	<b>13,347</b>

20 Debtors

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade debtors	24,532	16,777	1,422	15,579
Amounts due from associated undertakings	-	-	-	24
Other debtors, accrued income and prepayments	154,893	102,360	134,147	94,941
	<b>179,425</b>	<b>119,137</b>	<b>135,569</b>	<b>110,544</b>

21 Creditors: amounts falling due within one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	110,264	61,779	68,810	41,530
Taxation and social security	81,289	30,685	60,433	8,012
Life membership	1,744	1,744	1,744	1,744
Other creditors	74,459	86,144	43,971	59,763
Victoria Loan payments due	-	5,500	-	-
Amounts due to associated undertakings	-	-	97	-
Deferred income (note 22)	60,687	38,946	6,453	3,781
	<b>328,443</b>	<b>224,798</b>	<b>181,508</b>	<b>114,830</b>

At the balance sheet date, IWA held funds on behalf of Lancaster Canal Regeneration Partnership (LCRP) in a separate bank account amounting to £16,362 (2022: £16,362). These funds have not been accounted for as assets or liabilities of the IWA.

22 Deferred income (group)

Deferred income at year end comprises income received in advance for waterways events due to be held in 2023, annual canoe licence fees paid in advance, trip boat hire booked in advance, some mooring income paid in advance and some small grants awarded for future year activities.

	2023	2022
	£	£
Balance at the beginning of the year	38,946	56,139
Amount released to income in the year	(38,946)	(56,139)
Amount deferred in the year	60,687	38,946
Balance at the end of the year	<b>60,687</b>	<b>38,946</b>

23 Creditors: amounts falling due after one year

Life Membership & Victoria Loan account

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

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Life membership	3,663	4,069	3,663	4,069
Loan for trip boat Victoria	-	18,792	-	-
	<b>3,663</b>	<b>22,861</b>	<b>3,663</b>	<b>4,069</b>
Repayable in greater than 5 years	221	505	-	-

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

2029	173
2030	47

The purchase of Trip Boat Victoria was part funded by a loan of £55,000, which is repayable over 10 years with an interest rate of base rate plus 3%. The annual capital repayment is £5,500p.a, except in 2027 where it will be £2,292. However in 2023 the loan was paid off in full.

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

Group	General	Designated	Restricted	Total funds
	unrestricted			
	£	£	£	£
Intangible fixed assets	7,981	-	-	7,981
Tangible fixed assets	225,658	-	26,448	252,106
Investment properties	-	-	375,000	375,000
Investments	148,310	61,563	982,771	1,192,644
Net current assets	421,138	122,125	-	543,263
Long term liabilities	(3,663)	-	-	(3,663)
Net assets at 31 December 2023	<b>799,424</b>	<b>183,688</b>	<b>1,384,219</b>	<b>2,367,331</b>

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

Group	Restated	Restated	Restated	Restated
	General			
	unrestricted	Designated	Restricted	Total funds
	£	£	£	£
Intangible fixed assets	63,642	-	-	63,642
Tangible fixed assets	265,775	-	29,735	295,510
Investment properties	-	-	375,000	375,000
Investments	75,589	70,655	974,596	1,120,840
Net current assets	242,239	164,824	-	407,063
Long term liabilities	(22,861)	-	-	(22,861)
Net assets at 31 December 2022	<b>624,384</b>	<b>235,479</b>	<b>1,379,331</b>	<b>2,239,194</b>

25a Movements in funds (current year)

Group	At 1 January 2023 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2023 £
<b>Restricted funds:</b>					
Charles Hadfield Fund	6,406	396	(36)	-	6,766
Lancashire Canals Fund	96	-	-	-	96
The Christopher Power Award Fund	4,891	364	(1,033)	-	4,222
The New Power Family Award Fund	25,820	1,595	(145)	-	27,270
Research & Studies Fund	4,048	250	(23)	-	4,275
Waterway Recovery Group Fund	114,547	27,264	(60,304)	110,117	191,625
Frederick Woodman Fund	6	-	-	-	6
J Faulkner Fund	32,653	2,106	(1,692)	-	33,067
Keith Ayling Legacy Fund	1,376	-	-	-	1,376
Averil Dobson Legacy Fund	332,674	20,549	(1,870)	-	351,353
Mary Jackson Legacy Boat House Fund	375,000	-	-	-	375,000
Alison Spooner Legacy Fund	153,661	9,492	(864)	-	162,289
Kenneth Todd Legacy Fund	1,000	-	-	-	1,000
Historic England Fund	4,317	1,089	(3,546)	-	1,860
Essex Waterways Ltd Trip Boat Grant	20,568	-	(1,286)	-	19,282
Essex Waterways Ltd City Boat Grant	9,167	-	(2,000)	-	7,167
Environment Agency	4,863	-	(4,863)	-	-
South West Inland Waterways Regeneration Fund	29,133	25,730	(27,457)	(1,000)	26,406
David Goodwin Legacy Fund	81,343	6,707	(610)	-	87,440
John Alan Cadisch Legacy Fund	72,291	5,954	(542)	(77,704)	-
Walter Edward Higgs Legacy Fund	28,295	2,332	(212)	(30,415)	-
Restoration Hub	20,000	263	(753)	1,000	20,510
Aberdulais Aqueduct	-	-	-	-	-
Cummins Power Systems	8,417	14,380	(22,319)	-	478
Nantwich Embankment Bench	1,000	1,000	(2,000)	-	-
David Pinkney legacy For benefit of Chelmer & Blackwater	36,810	2,487	(226)	-	39,071
Gordon Edward Muspratt legacy	2,000	-	-	(2,000)	-
Fund Britain Waterways	-	9,369	(3,980)	-	5,389
BCN Clean up	-	-	(312)	883	571
Other Grants	8,949	10,634	-	(1,881)	17,701
<b>Total restricted funds</b>	<b>1,379,331</b>	<b>141,961</b>	<b>(136,074)</b>	<b>(1,000)</b>	<b>1,384,219</b>
<b>Unrestricted funds:</b>					
Funds held by Regions and Branches	164,825	-	-	(42,700)	122,125
Chelmer & Blackwater Number 2 Fund	-	-	-	-	-
Chelmer & Blackwater Number 3 Fund	-	-	-	-	-
Tony Harrison legacy	118	-	-	-	118
Waterways in Progress	70,537	-	(9,092)	-	61,445
<b>Total designated funds</b>	<b>235,480</b>	<b>-</b>	<b>(9,092)</b>	<b>(42,700)</b>	<b>183,688</b>
<b>Revaluation reserve</b>	<b>10,690</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,690</b>
<b>General funds</b>	<b>613,693</b>	<b>1,794,395</b>	<b>(1,663,054)</b>	<b>43,700</b>	<b>788,734</b>
<b>Total unrestricted funds</b>	<b>859,863</b>	<b>1,794,395</b>	<b>(1,672,146)</b>	<b>-</b>	<b>983,112</b>
<b>Total funds</b>	<b>2,239,194</b>	<b>1,936,356</b>	<b>(1,808,220)</b>	<b>-</b>	<b>2,367,331</b>

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

25b Movements in funds (prior year)

Group	Restated At 1 January 2022 £	Restated Income & gains £	Restated Expenditure & losses £	Transfers £	Restated At 31 December 2022 £
<b>Restricted funds:</b>					
Charles Hadfield Fund	7,463	173	(1,230)	-	6,406
Lancashire Canals Fund	96	-	-	-	96
The Christopher Power Award Fund	6,863	159	(2,131)	-	4,891
The New Power Family Award Fund	30,079	697	(4,956)	-	25,820
Research & Studies Fund	4,716	109	(777)	-	4,048
Waterway Recovery Group Fund	168,338	15,331	(51,122)	(18,000)	114,547
Frederick Woodman Fund	6	-	-	-	6
J Faulkner Fund	39,715	920	(7,982)	-	32,653
Keith Ayling Legacy Fund	1,376	-	-	-	1,376
Averil Dobson Legacy Fund	387,555	8,978	(63,859)	-	332,674
Mary Jackson Legacy Boat House Fund	343,000	32,000	-	-	375,000
Alison Spooner Legacy Fund	179,010	4,147	(29,496)	-	153,661
Kenneth Todd Legacy Fund	1,000	-	-	-	1,000
Historic England Fund	4,047	11,555	(11,285)	-	4,317
Essex Waterways Ltd Trip Boat Grant	21,854	-	(1,286)	-	20,568
Essex Waterways Ltd City Boat Grant	11,167	-	(2,000)	-	9,167
Environment Agency	4,863	-	-	-	4,863
South West Inland Waterways Regeneration Fund	44,239	1,000	(16,106)	-	29,133
David Goodwin Legacy Fund	99,255	2,930	(20,842)	-	81,343
John Alan Cadisch Legacy Fund	88,123	2,674	(18,506)	-	72,291
Walter Edward Higgs Legacy Fund	34,500	1,041	(7,246)	-	28,295
Restoration Hub	7,500	12,500	-	-	20,000
Aberdulais Aqueduct	-	4,360	(4,360)	-	-
Cummins Power Systems	-	12,068	(3,651)	-	8,417
Nantwich Embankment Bench	-	1,000	-	-	1,000
David Pinkney legacy For benefit of Chelmer & Blackwater	-	36,810	-	-	36,810
Gordon Edward Muspratt legacy	-	2,000	-	-	2,000
Other Grants	7,497	1,452	-	-	8,949
<b>Total restricted funds</b>	<b>1,492,261</b>	<b>151,904</b>	<b>(246,834)</b>	<b>(18,000)</b>	<b>1,379,331</b>
<b>Unrestricted funds:</b>					
Funds held by Regions and Branches	155,330	28,594	(19,099)	-	164,825
Chelmer & Blackwater Number 2 Fund	63,904	-	(63,904)	-	-
Chelmer & Blackwater Number 3 Fund	7,546	-	(7,546)	-	-
Tony Harrison legacy	118	-	-	-	118
Waterways in Progress	84,694	-	(14,157)	-	70,537
Loan facility to EWL	100,000	-	-	(100,000)	-
Total designated funds	411,592	28,594	(104,706)	(100,000)	235,480
<b>Revaluation reserve</b>	<b>10,690</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,690</b>
<b>General funds</b>	<b>743,865</b>	<b>1,283,374</b>	<b>(1,531,546)</b>	<b>118,000</b>	<b>613,693</b>
<b>Total unrestricted funds</b>	<b>1,166,147</b>	<b>1,311,968</b>	<b>(1,636,252)</b>	<b>18,000</b>	<b>859,863</b>
<b>Total funds</b>	<b>2,658,408</b>	<b>1,463,872</b>	<b>(1,883,086)</b>	<b>-</b>	<b>2,239,194</b>

**Purpose of transfer of funds in the prior year**

The WRG restricted fund transfer to unrestricted fund in 2022/23 was due to the costs incurred related to WRG activities. As these costs were initially paid by the general fund, the transfer has been made from WRG restricted to unrestricted general fund in order to recover the initial costs incurred from general funds.

**Purposes of restricted funds**

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

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

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

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

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

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

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

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

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

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

The Alison Spooner Legacy Fund was a bequest to be used towards the Restoration Fund for the Cotswold Canals.

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

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

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

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

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

Funding for the Essex Waterways City Boat was provided by One Chelmsford towards the purchase of a boat, and the set up of the River Boat Rides project in Chelmsford.

The South West Inland Waterways Regeneration Fund has been established to provide small grants for waterway regeneration in the South West.

The David Goodwin Legacy Fund is a bequest to be used for the purpose of restoration or maintenance of one or more specific canals or waterways.

The John Alan Cadisch Legacy Fund is a bequest to the Waterway Recovery Group to be used for canal restoration projects.

The Walter Edward Higgs Legacy Fund is a bequest to the Waterway Recovery Group.

**Purposes of designated funds**

Funds held by regions and branches show the amount held by branches in the form of cash. The transfer in the current year's accounts reflects the net outflow of cash held by branches in the year.

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

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

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

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

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

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

	Land and buildings		Other	
	2023	2022	2023	2022
	£	£	£	£
Less than one year	11,578	19,386	-	4,112
One to five years	14,473	27,981	-	-
	<b>26,051</b>	<b>47,367</b>	<b>-</b>	<b>4,112</b>

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

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

	Property	
	2023	2022
	£	£
Less than one year	27,120	27,120
	<b>27,120</b>	<b>27,120</b>

**28 Legal status of the charity**

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

**29 Prior period adjustments**

For many years up to the 2018 accounts, at the request of restricted fund budget holders who did not wish any capital risk, all investment earnings were attributed to unrestricted funds and income at bank deposit rates were attributed to restricted funds. For 2019 to 2022, deposit interest rates were so low that no interest was applied to restricted funds. The Trustees have now been advised that, given the extent to which the Association's investment portfolio represents unspent restricted funds, the restricted funds should bear and should previously have borne an appropriate proportion of the investment gains and losses, dividend income and investment management fees. This adjustment corrects for this.

Group and charity Reserves position	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	31 December 2022	31 December 2022		01 January 2022	01 January 2022	
	£	£	£	£	£	£
<b>Funds previously reported</b>	877,243	1,361,951	<b>2,239,194</b>	1,343,504	1,314,904	2,658,408
<b>Adjustments on restatement</b>						
The reclassification of net historic recognition of gains, income and expenditure related to restricted funds held within investments	(177,357)	177,357	-	(177,357)	177,357	-
Reclassification of expenditure to restricted expenditure incurred by restricted funds held within investments	6,505	(6,505)	-	-	-	-
Reclassification of income to restricted income incurred by restricted funds held within investments	(25,632)	25,632	-	-	-	-
Reclassification of losses to restricted losses incurred by restricted funds held within investments	175,818	(175,818)	-	-	-	-
Adjustment to reclassify the depreciation of relevant trip boat fixed assets against the corresponding Essex Waterways Ltd Trip Boat Grant and Essex Waterways Ltd City Boat Grant restricted funds	3,286	(3,286)	-	-	-	-
<b>Funds restated</b>	<b>859,863</b>	<b>1,379,331</b>	<b>2,239,194</b>	<b>1,166,147</b>	<b>1,492,261</b>	<b>2,658,408</b>
	Unrestricted	Restricted	Total			
	31 December 2022	31 December 2022				
	£	£	£			
<b>Impact on income and expenditure</b>						
<b>Net income / (expenditure) as previously</b>	(466,261)	47,047	(419,214)			
<b>Adjustments on restatement</b>						
Reclassification of expenditure to restricted expenditure incurred by restricted funds held within investments	6,505	(6,505)	-			
Reclassification of income to restricted income incurred by restricted funds held within investments	(25,632)	25,632	-			
Reclassification of losses to restricted losses incurred by restricted funds held within investments	175,818	(175,818)	-			
Adjustment to reclassify the depreciation of relevant trip boat fixed assets against the corresponding Essex Waterways Ltd Trip Boat Grant and Essex Waterways Ltd City Boat Grant restricted funds	3,286	(3,286)	-			
<b>Net income / (expenditure) as restated</b>	<b>(306,284)</b>	<b>(112,930)</b>	<b>(419,214)</b>			

**THE INLAND WATERWAYS ASSOCIATION**

England & Wales - Charity number 212342

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# Accounts

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Company number: 00612245

Charity number: 212342

# The Inland Waterways Association

Report and financial statements

For the year ended 31 December 2022



**INLAND  
WATERWAYS**  
ASSOCIATION

# Inland Waterways Association

## Contents

### For the year ended 31 December 2022

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Reference and administrative information .....	1
Trustees' annual report .....	3
Independent auditor's report .....	18
Statement of financial activities (incorporating an income and expenditure account) .....	23
Balance sheet .....	24
Statement of cash flows .....	25
Notes to the financial statements .....	26

## Inland Waterways Association

### Reference and administrative information

For the year ended 31 December 2021

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**Company number** 00612245  
**Country of incorporation** United Kingdom

**Charity number** 212342  
**Country of registration** England & Wales

### Registered office and operational address

The Inland Waterways Association  
Unit 16b Chiltern Court  
Asheridge Road  
Chesham  
HP5 2PX

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

Rt Hon Sir Robert Atkins	
Richard Barnes	(until March 2022 and from Sept 2022)
John Butler	(until September 2023)
David Chapman	
Nicholas Dybeck	
Leslie Etheridge	(from May 2022 until September 2023)
Susan O'Hare	
Rebecca Hughes	(until February 2023)
Claire Norman	(from September 2022)
Paul Rodgers	(until April 2022)
Ian Sesnan	(until January 2022)
Hannah Rigley (nee Sterritt)	
Michael Wills	(from September 2022)
Alison Woodhams	(until January 2022)
Stuart Craig	(from September 2023)
Peter Marlow	(from September 2023)
Paul Strudwick	(from September 2023)
Thomas White	(from September 2023)

<b>Company Secretary</b>	Genevieve Wilson	(until February 2023)
	Vedyamala Reddy	(from February 2023)

## Inland Waterways Association

### Reference and administrative information

#### For the year ended 31 December 2021

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<b>Key management personnel</b>	Phil Hornsey	Chief Executive (Feb 2021 to Apr 2022)
	Jonathan Smith	Interim Chief Executive (May 2022 to Jan 2023)
	David Pearce	Chief Executive Officer (Jan 2023 to Apr 2023)
	Sarah Niblock	Chief Executive Officer (Jun 2023 to Sep 2023)
	Tracy Higgin	Administration Manager
	Alison Smedley	Campaigns & Public Affairs Manager (until Jan 2023)
	Genevieve Wilson	Finance Manager (until Jan 2023)
	Vedyamala Reddy	Head of Finance (from Jan 2023)
	Ross Field	Operations Manager (from Oct 2022)
	Joanne Mass	Marketing Manager (from Feb to Apr 2022)
	Georgia Howe	Marketing & Communications Manager (from Aug 2022)
	Jenny Morris	Volunteer & Restoration Hub Coordinator (until August 2022)
	Jenny Hodson	Volunteer Manager (from Jul 2022)
	Anthony Comber	General Manager, Essex Waterways Ltd (until Nov 2022)
David Smart	General Manager, Essex Waterways Ltd (from Jan 2023)	
<b>Bankers</b>	Barclays Bank PLC 1 Churchill Place London E14 5HP	
<b>Investment advisers</b>	Quilter Cheviot Senator House 85 Queen Victoria Street London EC4V 4AB	
<b>Auditor</b>	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108–114 Golden Lane London EC1Y 0TL	

The trustees present their report and the audited financial statements for the year ended 31 December 2022.

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

## **Objectives and activities**

### **Purposes and aims**

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

### **Who we are**

The Inland Waterways Association (IWA) is a charity governed and run by volunteers and supported by a small team of employees. We are the only independent, national charity dedicated to supporting and regenerating Britain's navigable rivers and canals as places for leisure, living and business.

Founded in 1946, IWA celebrated the 75<sup>th</sup> anniversary of its founding in 2021. We believe that the nation's waterways and surrounding environments are for everyone to enjoy, and we both campaign and take direct action to protect their continued existence.

IWA is a membership organisation comprising both individual and corporate members. The former includes waterways experts, enthusiasts and members of the public, and the latter include waterways-related businesses, charitable societies and groups interested in restoration and regeneration. We are an association in the true sense of the word, and by joining IWA our members help support and regenerate the nation's waterways, for the benefit of all, both now and into the future.

### **Why we exist**

The Inland Waterways Association was founded in 1946 in response to the very real risk that continued neglect of our historic waterways network would see a precious national asset lost forever.

It is possible to walk or boat along many waterways now only because of the tireless campaigning work of IWA and its volunteers over the last 75 years, with over 500 miles of derelict waterways brought back to life. But however well maintained they may appear, our waterways continue to

remain under considerable threat – from urban development, inadequate funding, lack of protection, loss of skills and knowledge, over-commercialisation and climate change.

### How we operate

Britain's waterways form a vast, open-air network of working canals and navigable rivers, connecting city and countryside, alive with boats and enjoyed by millions. IWA is dedicated to providing ongoing protection to this network, as well as supporting the regeneration of another 500 miles of currently derelict waterways.

The canals and rivers of England, Wales and Scotland are managed and maintained by a variety of navigation authorities. IWA works closely with these authorities to influence policy and decision-making, whilst constructively challenging them to work in the best interest of the waterways and their users.

We also work with other waterway groups, and a wide range of national and local authorities, voluntary, private and public sector organisations. In 2005, IWA's subsidiary company, Essex Waterways Ltd, became a navigation authority itself when it took over management of the Chelmer & Blackwater Navigation. The waterway is now run on a not-for-profit basis, and is a thriving asset for the benefit of the local community.

IWA also actively encourages waterways restoration, providing advice, guidance and hands-on, practical support to local restoration groups. Our Restoration Hub champions waterways restoration and provides restoration groups with access to the collective knowledge and skills of IWA staff and our active volunteer base, including planning and engineering professionals. These skills include those of IWA's Waterway Recovery Group (WRG) which is well-known in the sector and has a long-established reputation of practical waterway regeneration. WRG organises a yearly programme of highly popular, week-long waterway restoration holidays, training for volunteers around the country and carrying out work parties on most weekends through regional groups.

IWA's staff team is supported at every level by an active, committed and valued network of volunteers. This includes our local branches, who organise work parties, hold events, monitor and challenge planning applications that might be detrimental to the waterways, arrange waterside walks and tours, and liaise with many local groups and societies with common interests. IWA also benefits from advisory and operational groups, who work at a national level to support and implement our strategic objectives.

IWA relies on the support of our members, donors and volunteers, as well as income from grant-making bodies and commercial activities to make our waterways better. Membership income is put towards IWA's campaigning and restoration expenditure but covers about 20% of our costs. This leaves the remainder to be covered by donations, gifts in wills, grants and income from IWA's investments.

## **What we want to achieve**

### **High-Level Strategic Objectives, 2022–2027**

In 2022, the Board completed a major review of the Association's Strategic Objectives and these were formally accepted in Jan 2023.

1. To be recognised as the organisation that shapes the national agenda for navigable waterways.
2. To inspire more people to use, appreciate and care for their local waterways.
3. To support the transformation of 500 more miles of waterways into places for leisure, living and business.
4. To establish waterways as a key asset for the environment and a way to mitigate and adapt to the climate emergency.
5. To operate as one team across the charity, working together to achieve our objectives.

These objectives will focus our efforts, enable better decision-making around our key activities and priorities, and allow us to communicate our ambitions in a clear way across the organisation and to external stakeholders.

## **Statement of Public Benefit**

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

## **Achievements and performance**

After the hiatus of Covid and a period of internal review of its role, structure and finances, 2022 saw IWA consolidating and starting to rebuild its campaigning and restoration activities.

A clear role and purpose statement was established for the Association and high-level strategic objectives were approved, which helped shape the direction of travel. An "Only IWA can do this" theme was used to frame the unique position of the Association in the waterways sector and the "One IWA" ethos of a collaborative effort by members, volunteers and employees was promoted.

A major report, *Waterways for Today*, was published by IWA in September 2022. Based on case studies, it provides evidence of the benefits that waterways bring to society. It was sent to all MPs with a waterway in their constituency and its release was originally timed to coincide with an expected announcement on central government funding for Canal & River Trust's waterways. The

## **Inland Waterways Association**

### **Trustees' annual report**

#### **For the year ended 31 December 2022**

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announcement was subsequently delayed but that allowed time for IWA to position itself and prepare for the launch of a major campaign in 2023.

The magnificent efforts of dedicated teams of volunteers and staff again produced colourful and memorable waterways events in London at Canalway Cavalcade, and in Burton upon Trent at the Festival of Water. These two major IWA organised events provide an opportunity to show the public what great assets the waterways are, and how important it is to restore and maintain them for the public benefit. At a local level too, IWA branches promoted waterways often working in conjunction with canal societies and navigation authorities.

After the trimmed down Covid years, Canal Camps returned to a full programme including brickwork and towpath repairs on the Chelmer & Blackwater Navigation, repairs to tunnel portal and rebuilding a lengthsmen's hut on the Shrewsbury and Newport Canals, rebuilding lock chamber walls on the Swansea Canal, repair to an overflow weir on Monmouthshire Canal and a family camp at Wendover. The Restoration Conference, jointly hosted with Canal & River Trust in Stroud, returned to the calendar after a three-year gap. A wide range of canal societies and other waterways bodies attended and addressed topics of overcoming obstacles and seizing opportunities in waterway restoration.

Whilst several personnel changes caused some disruption mid 2022 including CEO and long serving staff moving on, the interim CEO brought stability, recruited new skills to the team and rebuilt confidence.

There was a clear focus on the need to balance income and expenditure after several years of over-reliance on legacies and drawing down funds. This required difficult decisions, such as increasing membership fees and office relocation. Further disruption occurred in 2023 as two chief executives came and went, and this has meant that implementing change has not been as effective as was anticipated.

2023 saw the launch of a major campaign to Protect our Waterways with an early emphasis on the need for improved government funding. IWA has also played a leading role in bringing together upwards of 85 waterways organisations to form Fund Britain's Waterways (FBW) which is campaigning for national and local government to act now and protect the public benefit and natural capital of our waterways. Following a DEFRA announcement regarding funding for Canal and River Trust, the IWA campaign for adequate funding will continue.

### **A thank you to IWA volunteers, supporters and employees**

IWA would not exist without the generosity of our members and donors, and the successes outlined above would not be achieved without the incredible commitment of our volunteers and employees. By supporting us through membership subscriptions or donations, or by contributing time through volunteering, these individuals ensure our organisation can continue to do such valuable work to support, protect and regenerate the nation's navigable rivers and canals, for everyone to enjoy.

## Inland Waterways Association

### Trustees' annual report

#### For the year ended 31 December 2022

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Our national volunteer awards recognise outstanding achievements and in September 2022 awards were made to:

Cyril Styring Trophy	John Fevyer
Christopher Power Prize	Terry Cavender and Buckingham Canal Society
Richard Bird Medal	Mike Slade (IWA West Country)
Richard Bird Medal	Sue Schwieso (IWA Kent & E Sussex)
Richard Bird Medal	John Hawkins (WRG)
Richard Bird Medal	David Carrington (Finance Committee and Essex Waterways Ltd)
Richard Bird Medal	Jane Elwell (Festivals)
Richard Bird Medal	Mike Elwell (Festivals)
Branch Achievement Salver	IWA Lichfield Branch

We would like to record our heartfelt thanks to all volunteers, and for the unfailing support of waterway groups, corporate members and other bodies in our sector, for their amazing contribution to the Association's work and for their support to IWA's subsidiary company, Essex Waterways Ltd

### Plans and Strategy for 2023

In January 2023, the Trustee Board approved a medium-term strategy for the period to December 2023 for achieving the High-Level Strategic Objectives. It included a continued focus on achieving a balanced budget through income generation and cost control, establishing a strategy for campaigns, improving communications & engagement, and an emphasis on retention and recruitment of volunteers, working as One IWA and better engagement with regions and branches.

One of the immediate outcomes was to launch a single campaign, Protect our Waterways through which we will raise awareness about the threats to our waterways and petition to protect canals and rivers from funding cuts. The campaign would also raise IWA's profile to assist fundraising and so make IWA financially sustainable. Together with other members of Fund Britain's Waterways, several high profile events have been held including a rally in central Birmingham, and more are planned including a cruise past Westminster in November 2023. It is hoped that the impact of the events locally, and good coverage in the media will have the desired effect of ensuring adequate funding for the waterways.

In September, in light of the departure of a second chief executive in 2023, Trustees have put in place interim arrangements to keep the current operation going, in particular the campaigns, and to honour other commitments. They have also set up a working group to re-visit the strategy for balancing the budget which will report in early 2024. (see also Going Concern below)

## Financial review

Uncertainties around Covid-19 and its impact on activities continued during 2022, but to a lesser extent than in the previous two years. Consequently, the charity had a difficult year financially with an operating loss of £237,466. Income from donations and legacies was significantly down from 2021, and expenditure on staff (IWA & EWL) and navigation management (EWL) were significantly higher. However, legacy receipts were still significant, with the greater part unrestricted and thus directly benefitting the unrestricted funds balance at the year end.

Income from investments held up well, but the value of our investment portfolio fell substantially as a result of the challenging state of the investment markets resulting in a loss of £213,751.

The operating and investment losses affected the level of unrestricted funds and these have dropped to £877,243.

Expenditure on charitable activity was £848,118 in 2022 which includes £593,586 on our campaigns to protect the waterways. Roughly 40% of this was funded by membership subscriptions, 8% from grant income and a further 35% of it was raised through donations and unrestricted legacies.

Essex Waterways Limited made an operating loss of £59,416 on trading income of £815,875. Inland Waterways Enterprises Limited did not trade in 2022.

Total net incoming resources for the group available during 2022 were £1,645,622 (2021: £1,770,222). This enabled expenditure of £1,883,087, (2021: £1,743,480). After taking account of the loss on investments of £213,751 the total funds carried forward at the year-end stood at £2,239,194.

## Principal funding sources

The Association's principal funding sources for 2022 were:

	Unrestricted £	Restricted £
Subscriptions from members	341,777	-
Donations	26,232	27,362
Grant Income	42,654	26,483
Legacies	205,578	38,904
Investment income	31,162	-

Other income is shown in notes 3 to 5 of the financial statements.

## Membership

Membership retention and recruitment has been a focus for the “Only IWA can do this” theme, and members continued to renew and sign up to the charity through our website. We do not make our supporter lists available to third parties and we do not send direct email or postal communications on behalf of third parties.

## Legacies

The Inland Waterways Association is very grateful for bequests during the year totalling £244,482. Without this generosity it would not be possible for the Association to make the significant contribution it does to protecting and restoring the inland waterways. Our grateful thanks go to:

Graham Christian Bird

Frances Patricia Hill

Rose Kathleen Wyatt

Henry Franis Eaves

Peter John Harman

Joyce Beatrice Keep

John Charles Villers

Anthony Davis

Alastair Neil MacDonald

Janet Madeline McFarling

David John Pinkney

Gordon Edward Muspratt

John Alan Cadisch

## Fundraising & Donations

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

Fundraising communications posted or emailed to individual members or supporters are small in number but include annual information about our 500 Club. When supporters and volunteers register for our working holiday Canal Camps or purchase moorings or camping pitches for our Festivals we ask if a donation could be made alongside the booking.

A new Text to Give facility was established in early 2023 to facilitate donations at events.

## Grants

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

Essex County Council  
Historic England  
Northumbrian Water  
South West Inland Waterways Regeneration  
Coombe Tennant Family  
Cummins Power Systems  
Nantwich Town Council

## **Investment performance**

The Association's investments showed a net loss of £213,751 during the year. Our investments were managed by Quilter Cheviot.

A full list of the investments held is provided to members of the Investment Working Group, which reports to Finance Committee, every three months, with interim valuations. The value of listed investments was £1,113,227 at 31 December 2022 and £1,430,799 at 31 December 2021 (see financial statements note 16). Investment income amounted to £31,162 (2021: £32,061). The portfolio is judged against an agreed benchmark and given the current market volatility the trustees were satisfied with the performance during the year. The Investment Working Group meets with the investment managers at least twice a year and will continue to monitor closely the performance against the benchmark for the forthcoming year.

## **Key policies**

### **Investment policy**

#### **1. Introduction**

The overall financial objective is:

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

#### **2. Investment objective is**

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

#### **3. Risk**

- Inflation risk mitigated through investment in real assets.
- Capital volatility can be tolerated if consistent with expectations.
- Diversification of assets required, with a maximum concentration risk of 10% in any one investment.
- There shall be no investment in futures, forwards, options, swaps, hedge funds, cryptocurrencies and other derivatives.
- Sterling base currency.

## Inland Waterways Association

### Trustees' annual report

#### For the year ended 31 December 2022

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- Minimum A- credit rating for deposit (other than company bankers) taking institution, maximum £170,000 cash deposit per counterparty.
- Bond exposure should be focused on investment grade issuers.

#### 4. Liquidity

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

#### 5. Time Horizon

- Restricted and designated funds: more than 3 years (expected to be held long term).
- Free reserve: less than 3 years (may be needed in the short term).

#### 6. Ethical Policy

- Invested in line with the Association's aims and giving due consideration to Environmental Social and Governance factors.

#### 7. Management, Reporting and Monitoring

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

#### 8. Approval and Review

- Effective from April 2022.
- Due for review by end 2023.

## Principal risks and uncertainties

Maintaining a regular review of risk is one of trustees' key duties. A trustee working group was set up in 2020 which carried out a thorough review and update of Risk Management, produced an updated policy and process, and created a new Risk Register. Trustees reviewed and accepted the register and set levels for risk appetite.

The working group keeps the Risk Register under review and reports periodically to the board of trustees, so that the trustees have a clear picture of where IWA needs to be focusing its energy and resources.

During 2022, the focus was on risks that had been identified with a greatest divergence from a previously determined acceptable level. These included performance against financial objectives, and provision and capacity of staff and other resources.

## Inland Waterways Association

### Trustees' annual report

#### For the year ended 31 December 2022

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In early 2023, a medium-term strategy was produced with the principal risks in mind, which was approved by trustees. It included a continued focus on achieving a balanced budget through income generation and cost control, establishing a strategy for campaigns, improving communications and engagement, and an emphasis on retention and recruitment of volunteers, working as 'One IWA' and better engagement with regions and branches.

The principal risk facing IWA in the latter half of 2023, following the loss of two CEO in the year, is that of providing leadership and management of the Association. Trustees have put in place an interim management team and are considering options for future structure around a zero-based budget.

Other risks, including

Legacies (falling below £90,000 unrestricted)

Investments (if there is no recovery in values)

Fundraising (if IWA fails to raise the £10,000 budget)

have been considered in the going concern assessment and will be mitigated through careful monitoring by trustees over the next 12 months.

## Reserves policy and going concern

### Reserves policy

The Association's reserves are available for use in furtherance of the charitable objectives of the Association. They consist of the General Fund, reduced by:

- The value of fixed assets
- Restricted funds.
- Designated funds.
- Any firm commitments made.

Restricted funds are either:

- Set aside for specific projects or purposes in accordance with the instructions or intentions of the donors.
- Allocated and committed to the intended recipient.

Designated funds are:

- Funds from larger legacies that have not been placed in restricted funds but which trustees felt should, where possible, be applied to specific projects or areas.
- Funds held by branches and regions or allocated or committed to specific projects.

Where expenditure fulfils the criteria of a restricted fund, it is charged against that fund, rather than from General Funds.

The Association's income and expenditure may vary from year to year, because of:

- Changes in the value of its investments
- Variable income, such as legacies and donations.
- Fluctuations in membership income.

## Inland Waterways Association

### Trustees' annual report

#### For the year ended 31 December 2022

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- Urgent major expenditure on waterway restoration or campaign
- A need for legal advice or legal action.

The Association should therefore hold sufficient reserves to cover its operating costs for a minimum of six months, which would enable it to continue its activities and to manage any financial or operational difficulty that could arise.

Based on the risk assessments it has carried out, trustees have therefore concluded that IWA's reserves should lie between £350,000 and £650,000. £150,000 should be held in liquid funds.

The level of free reserves at 31 December 2022 was as follows.

#### Free Funds

General fund	673,763
Less Tangible fixed Assets	-262,490
Less: Intangible Fixed Assets	<u>-63,642</u>
<b>Adjusted Free Funds</b>	<b><u>347,631</u></b>

### Going concern statement

The trustees have carried out a detailed assessment of the organisation's going concern status.

It is based on the 2022 Financial Statements, the 2023 Q2 Management Accounts, a projection to the end of 2023 based on the known position in October 2023, and a budget for 2024 based broadly on the current operating model with some adjustments for recent staff changes.

The assessment demonstrates that there is sufficient cash to operate at least until the end of 2024 and whilst the projected figure for free reserves at the end of 2024 falls marginally below the £350,000–£650,000 range, operating costs will be lower.

The assessment also considered a sensitivity analysis which looked at the effects of investment losses, reduced legacy income and less income from fundraising which indicated that there is very little room for manoeuvre. Accordingly, areas for further cost reduction have been identified should the need arise.

The current operating model continues to produce an annual operating deficit and whilst this is partially offset by income from legacies, and partially from drawdown of general funds, trustees recognise that this is unsustainable in the longer term (beyond 2024). They have therefore set up a group to scrutinize the current operational model with a view to setting a zero-based budget. This will build on work done in recent years by the financial planning group and on the key strategic initiatives resulting from it.

The directors of Essex Waterways Ltd have carried out a similar exercise. Potential risk areas include increased inflation, the cost-of-living crisis and large unplanned maintenance costs resulting from the failure of a navigation asset.

## Inland Waterways Association

### Trustees' annual report

#### For the year ended 31 December 2022

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Finance Committee have reviewed and challenged the assessments and reported to Trustees their unanimous support and their belief that the organisation is a going concern. Trustees are satisfied that there are no material uncertainties which undermine the going concern assumptions, and have reasonable expectation IWA as a charity and group will be a going concern for at least 12 months from signing.

## Structure, governance and management

### Organisation

The Board of Trustees had ten members and held nine formal Board meetings during 2022.

There are three principal committees of the Board of Trustees:

- Finance Committee
- Navigation Committee
- Waterway Recovery Group

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

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

A chief executive officer is appointed by the trustees to manage the day-to-day operations of the charity. The CEO works closely with a Senior Management Group, comprising the Chair and Deputy Chairs of the Board, the National Treasurer and the Chair of Waterway Recovery Group. To facilitate effective operations, the chief executive has the delegated authority, within the terms of delegation approved by the trustees, for operational matters including finance and employment.

### Trustee remuneration and insurance

No trustee received any remuneration in respect of services to the Association, other than reimbursement of expenses incurred in providing such services. A premium in respect of trustee indemnity insurance for members of the trustee board of £524 including Insurance Premium Tax was paid during the year (2021: £1,429).

### Remuneration policy for key management personnel

A Remuneration Committee, comprising the chair of Finance Committee, the national chair and two other members appointed annually by trustees, reviews the remuneration of senior employees. The remuneration package for the chief executive and other senior staff is based on recommendations provided to the committee by the chief executive, or the national chair in

## Inland Waterways Association

### Trustees' annual report

#### For the year ended 31 December 2022

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respect of the chief executive, and takes into consideration current market conditions for the functions and performance of the relevant employees.

## Governing documents

The Inland Waterways Association is a charitable company limited by guarantee, incorporated on 2 October 1958. It is governed by its Articles of Association, which were last updated at the AGM on 24 September 2016. The charitable company's objects and powers were initially set out in a Memorandum of Association that is now incorporated in the Articles of Association

IWA registered as a charity on 17 December 1962 and remains registered with the Charity Commission. Each member agrees to contribute £1 in the event of the charity winding up.

## Related parties and relationships with other organisations

The Inland Waterways Association has three subsidiary companies:

- Essex Waterways Limited, which began trading in November 2005, and manages the Chelmer & Blackwater Navigation. The Company enjoys the support of Chelmsford City Council, Essex County Council, Northumbrian Water and Maldon District Council. It is a member of the Association of Inland Navigation Authorities.
- Inland Waterways Enterprises Limited began trading in August 2017 to undertake certain commercial activities to support IWA. It did not trade in 2022.
- Waterway Recovery Group Ltd is dormant and is maintained to protect the name Waterway Recovery Group is a trading name of the Association.

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

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

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

## Appointment of trustees

From 2020, the trustee recruitment process is based on a skills audit and is carried out by a working group appointed by trustees. The panel's 2022 recommendations were put to the AGM for approval by the membership. Terms of office are usually for three years with a maximum of four consecutive terms before a three-year break must be taken. The appointment of trustees is staggered over a three-year period. All trustees are members of the Association. No trustee appointments are made by outside bodies.

## Trustee induction and training

New trustees are provided with a list of documents for recommended study and invited to attend induction sessions where they are given introductions to the activities of each team, as well as time speaking directly with the staff at the Chesham office. New trustees are also provided with informal guidance from existing trustees.

## Statement of responsibilities of the trustees

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

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

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

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

## Inland Waterways Association

### Trustees' annual report

#### For the year ended 31 December 2022

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In so far as the trustees are aware:

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

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2022 was 10329 (2021: 10,970). The trustees are members of the charity but this entitles them only to the same voting rights as any other member. The trustees have no beneficial interest in the charity.

## Auditor

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

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

The trustees' annual report has been approved by the trustees on 27 October 2023 and signed on their behalf by

Nick Dybeck  
National Treasurer

## Independent auditor's report

To the members of

Inland Waterways Association

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### Opinion

We have audited the financial statements of Inland Waterways Association (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2022 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

## Independent auditor's report

To the members of

Inland Waterways Association

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### Other Information

The other information comprises the information included in the trustees' annual report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information, and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

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

## Independent auditor's report

To the members of

Inland Waterways Association

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### Responsibilities of trustees

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

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

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

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

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

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

### Capability of the audit in detecting irregularities

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

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

## Independent auditor's report

To the members of

### Inland Waterways Association

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

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

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

## Use of our report

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

## **Independent auditor's report**

**To the members of**

**Inland Waterways Association**

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company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller (Senior statutory auditor)

30 October 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor

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

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

The Inland Waterways Association

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

For the year ended 31 December 2022

	Note	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
<b>Income from:</b>							
Donations, legacies and subscriptions	2	573,587	66,266	<b>639,853</b>	464,934	295,229	760,163
Charitable activities	3	28,937	26,630	<b>55,567</b>	34,277	70,790	105,067
Other trading activities	4	886,479	1,374	<b>887,853</b>	846,003	1,319	847,322
Investments	5	62,349	-	<b>62,349</b>	57,669	-	57,669
<b>Total income</b>		<b>1,551,352</b>	<b>94,270</b>	<b>1,645,622</b>	<b>1,402,884</b>	<b>367,338</b>	<b>1,770,222</b>
<b>Expenditure on:</b>							
Raising funds	6	1,034,969	-	<b>1,034,969</b>	807,410	8,982	816,392
Charitable activities							
Campaign and restoration costs	6	532,361	61,223	<b>593,585</b>	701,349	88,721	790,070
Membership support costs	6	250,936	-	<b>250,936</b>	127,588	38	127,626
Public meetings and other activities	6	3,596	-	<b>3,596</b>	9,389	3	9,392
<b>Total expenditure</b>		<b>1,821,862</b>	<b>61,223</b>	<b>1,883,087</b>	<b>1,645,736</b>	<b>97,744</b>	<b>1,743,480</b>
<b>Net income / (expenditure) before net gains / (losses) on investments</b>		<b>(270,510)</b>	<b>33,047</b>	<b>(237,465)</b>	<b>(242,852)</b>	<b>269,594</b>	<b>26,742</b>
Net gains / (losses) on investments	16	(213,751)	-	<b>(213,751)</b>	89,285	-	89,285
<b>Net income / (expenditure) for the year</b>	8	<b>(484,261)</b>	<b>33,047</b>	<b>(451,216)</b>	<b>(153,567)</b>	<b>269,594</b>	<b>116,027</b>
Transfers between funds		18,000	(18,000)	-	3,302	(3,302)	
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>(466,261)</b>	<b>15,047</b>	<b>(451,216)</b>	<b>(150,265)</b>	<b>266,292</b>	<b>116,027</b>
Gains on revaluation of investment property		-	32,000	<b>32,000</b>	-	-	-
<b>Net movement in funds</b>		<b>(466,261)</b>	<b>47,047</b>	<b>(419,214)</b>	<b>(150,265)</b>	<b>266,292</b>	<b>116,027</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		1,343,504	1,314,904	<b>2,658,408</b>	1,493,769	1,048,612	2,542,381
<b>Total funds carried forward</b>		<b>877,243</b>	<b>1,361,951</b>	<b>2,239,194</b>	<b>1,343,504</b>	<b>1,314,904</b>	<b>2,658,408</b>

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

The Inland Waterways Association

Balance sheet

Company no. 00612245

As at 31 December 2022

	Note	Group 2022 £	2021 £	Charity 2022 £	2021 £
<b>Fixed assets:</b>					
Intangible assets	13	63,642	76,302	63,642	76,302
Tangible assets	14	295,510	325,360	10,881	3,796
Investment properties	15	375,000	343,000	375,000	343,000
Investments	16	1,120,840	1,442,914	1,140,893	1,474,871
		<b>1,854,992</b>	<b>2,187,576</b>	<b>1,590,416</b>	<b>1,897,969</b>
<b>Current assets:</b>					
Stock	19	13,347	10,529	13,347	10,529
Debtors	20	119,137	253,980	110,544	194,119
Cash at bank and in hand		499,377	493,337	427,496	402,533
		<b>631,861</b>	<b>757,846</b>	<b>551,387</b>	<b>607,181</b>
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	21	(224,798)	(257,500)	(114,830)	(155,621)
<b>Net current assets</b>		<b>407,063</b>	<b>500,346</b>	<b>436,557</b>	<b>451,560</b>
<b>Total assets less current liabilities</b>		<b>2,262,055</b>	<b>2,687,922</b>	<b>2,026,973</b>	<b>2,349,529</b>
Creditors: amounts falling due after one year	23	(22,861)	(29,514)	(4,069)	(5,222)
<b>Total net assets</b>		<b>2,239,194</b>	<b>2,658,408</b>	<b>2,022,904</b>	<b>2,344,307</b>
<b>The funds of the charity:</b>					
Restricted income funds	25	1,361,951	1,314,904	1,319,506	1,273,914
Unrestricted income funds:					
Designated funds		235,480	411,592	235,480	411,592
Revaluation reserve		10,690	10,690	-	-
General funds		631,073	921,222	467,918	658,800
Total unrestricted funds		<b>877,243</b>	<b>1,343,504</b>	<b>703,398</b>	<b>1,070,392</b>
<b>Total charity funds</b>		<b>2,239,194</b>	<b>2,658,408</b>	<b>2,022,904</b>	<b>2,344,307</b>

Approved by the trustees on 27 October 2023 and signed on their behalf by

Nick Dybeck  
National Treasurer

Michael Wills  
Trustee

The Inland Waterways Association

Statement of cash flows

For the year ended 31 December 2022

	Note	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Net income for the reporting period (as per the statement of financial activities)		(451,216)		116,026	
Amortisation charges		18,254		12,382	
Depreciation charges		48,736		47,411	
Losses/(gains) on investments		213,751		(89,285)	
Dividends, interest and rent from investments		(62,349)		(56,575)	
Increase in stocks		(2,818)		(3,955)	
Decrease/(increase) in debtors		134,843		(109,367)	
Decrease in creditors		(32,701)		(11,809)	
<b>Net cash provided by operating activities</b>			<b>(133,500)</b>		<b>(95,172)</b>
<b>Cash flows from investing activities:</b>					
Bank interest received		471		97	
Investment income received		61,878		57,572	
Purchase of fixed asset investments		(289,665)		(323,635)	
Purchase of intangible fixed assets		(5,593)		(14,484)	
Purchase of tangible fixed assets		(18,887)		(152,905)	
Proceeds from sale of fixed asset investments		393,485		391,963	
<b>Net cash used in investing activities</b>			<b>141,689</b>		<b>(41,392)</b>
<b>Cash flows from financing activities:</b>					
Loan repayment including interest		(6,653)		(6,594)	
<b>Net cash used in financing activities</b>			<b>(6,653)</b>		<b>(6,594)</b>
<b>Change in cash and cash equivalents in the year</b>			<b>1,536</b>		<b>(143,158)</b>
Cash and cash equivalents at the beginning of the year			<b>505,452</b>		<b>648,610</b>
<b>Cash and cash equivalents at the end of the year</b>			<b>506,988</b>		<b>505,452</b>
<b>Analysis of cash and cash equivalents and of net debt</b>					
	At 1 January 2022	Cash flows	Other non- cash changes	At 31 December 2022	
	£	£	£	£	
Cash at bank and in hand	493,337	6,039	-	<b>499,377</b>	
Investment cash	12,115	(4,503)	-	<b>7,612</b>	
<b>Total cash and cash equivalents</b>	<b>505,452</b>	<b>1,536</b>	<b>-</b>	<b>506,988</b>	

**1 Accounting policies**

**a) Statutory information**

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

The registered office address is Unit 16B First Floor, Chiltern Court, Asheridge Road, Chesham, HP5 2PX

**b) Basis of preparation**

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

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

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

**c) Public benefit entity**

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

**d) Going concern**

The trustees have carried out a detailed assessment of the organisation's going concern status. Projections of the financial position and cashflow of unrestricted funds have been tested through scenarios where areas of higher risk, such as investment valuation, inflation, membership income, legacy income and fundraising, cause deterioration in financial performance in 2023 and/or 2024. The Board and its Finance Committee reviewed and challenged the assessment, with the final paper and conclusions documented.

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

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

**1 Accounting policies (continued)**

**e) Income**

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

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

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

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

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

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

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

**g) Interest receivable**

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

**h) Fund accounting**

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

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

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

**1 Accounting policies (continued)**

**i) Expenditure and irrecoverable VAT**

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

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of campaigning and restoration activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

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

**j) Grants payable**

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

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

**k) Allocation of support costs**

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

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

- |  |     |
|--|-----|
| ● Raising funds                        | 55% |
| ● Campaign and restoration costs       | 32% |
| ● Membership support costs             | 13% |
| ● Public meetings and other activities | 0%  |

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

**l) Operating leases**

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

**m) Intangible fixed assets**

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

- |               |           |
|---------------|-----------|
| ● IT software | 3–7 years |
| ● Website     | 4 years   |

**1 Accounting policies (continued)**

**n) Tangible fixed assets**

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

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

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

● Computer equipment	3 to 4 years
● Plant and equipment	3 to 10 years
● Motor vehicles	4 years
● Trip boats	6 to 20 years
● Buildings and leasehold improvements	10 years

**o) Investment properties**

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

**p) Listed investments**

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

**q) Investments in subsidiaries**

Investments in subsidiaries are at cost.

**r) Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. In general, cost is determined on a first in first out basis and includes transport and handling costs. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated items of stock, held for distribution or resale, are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

**s) Debtors**

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

# The Inland Waterways Association

## Notes to the financial statements

### For the year ended 31 December 2022

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#### 1 Accounting policies (continued)

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

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

##### u) Creditors and provisions

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

##### v) Financial instruments

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

#### 2 Income from donations and legacies

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Donations	26,232	27,362	<b>53,594</b>	32,303	73,349	105,652
Legacies	205,578	38,904	<b>244,482</b>	99,791	221,880	321,671
Membership subscriptions	341,777	–	<b>341,777</b>	332,840	–	332,840
	<u>573,587</u>	<u>66,266</u>	<u><b>639,853</b></u>	<u>464,934</u>	<u>295,229</u>	<u>760,163</u>

IWA has been notified of legacies with an estimated value of £195,000 (2021: £341,574) which have not been included in income for the year ended 31 December 2022, because either probate has not been received or IWA is not satisfied that the amount receivable can be reliably measured.

#### 3 Income from charitable activities

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Publications income	3,080	–	<b>3,080</b>	1,555	–	1,555
Public meetings and other activities	5,559	–	<b>5,559</b>	7,820	–	7,820
Grant income	6,693	26,483	<b>33,176</b>	8,028	59,564	67,592
Fundraising	13,605	147	<b>13,752</b>	16,874	11,226	28,100
Total income from charitable activities	<u>28,937</u>	<u>26,630</u>	<u><b>55,567</b></u>	<u>34,277</u>	<u>70,790</u>	<u>105,067</u>

The Inland Waterways Association

Notes to the financial statements

For the year ended 31 December 2022

4 Income from other trading activities

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Navigation management income	737,338	-	<b>737,338</b>	735,020	-	735,020
Charitable trading	6,926	-	<b>6,926</b>	5,983	-	5,983
Other events and activities	142,215	1,374	<b>143,589</b>	105,000	1,319	106,319
	<b>886,479</b>	<b>1,374</b>	<b>887,853</b>	<b>846,003</b>	<b>1,319</b>	<b>847,322</b>

5 Income from investments

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Rental income	30,716	-	<b>30,716</b>	25,511	-	25,511
Bank interest	471	-	<b>471</b>	97	-	97
Income from quoted investments	31,162	-	<b>31,162</b>	32,061	-	32,061
	<b>62,349</b>	<b>-</b>	<b>62,349</b>	<b>57,669</b>	<b>-</b>	<b>57,669</b>

All income from investments is unrestricted.

The Inland Waterways Association

Notes to the financial statements

For the year ended 31 December 2022

6a Analysis of expenditure (current year)

	Charitable activities						2022 Total £	2021 Total £
	Raising funds £	Campaign and restoration costs £	Membership support costs £	Public meetings and other activities £	Governance costs £	Support costs £		
Staff costs (Note 9)	534,608	205,296	206,034	-	7,288	29,340	<b>982,566</b>	944,264
Building and infrastructure costs	3,753	77,872	19,845	-	7,110	28,626	<b>137,206</b>	116,503
Meeting, travel and officers' expenses	-	6,760	-	-	72	-	<b>6,832</b>	2,395
Donations and grants	-	42,015	-	-	-	-	<b>42,015</b>	53,000
Work Party costs	-	10,528	-	-	-	-	<b>10,528</b>	9,080
WRG restoration costs	-	75,553	-	-	-	-	<b>75,553</b>	55,602
Campaign costs	-	68,177	-	-	-	-	<b>68,177</b>	41,583
Other direct costs	2,286	23,659	-	-	-	-	<b>25,945</b>	39,848
Restoration Hub	-	15,943	-	-	-	-	<b>15,943</b>	26,110
Membership and recruitment	-	27,200	8,360	-	-	-	<b>35,560</b>	53,155
Public meetings and other activities	-	-	-	3,357	-	-	<b>3,357</b>	8,307
Depreciation and amortisation	46,969	1,086	-	-	-	18,935	<b>66,990</b>	59,747
Investment management costs	7,909	-	-	-	-	-	<b>7,909</b>	9,401
Bank charges	13,668	-	-	-	-	-	<b>13,668</b>	6,594
Navigation management costs	318,381	-	-	-	-	-	<b>318,381</b>	253,488
Charitable trading	2,579	-	-	-	-	-	<b>2,579</b>	922
Other events and activities	35,948	-	-	-	-	-	<b>35,948</b>	38,165
Audit fees	-	-	-	-	27,516	-	<b>27,516</b>	19,813
Legal and professional services	-	-	-	-	-	5,510	<b>5,510</b>	4,074
Trustee indemnity insurance costs	-	-	-	-	525	-	<b>525</b>	1,429
AGM and other meeting costs	-	-	-	-	378	-	<b>378</b>	-
	<b>966,101</b>	<b>554,088</b>	<b>234,239</b>	<b>3,357</b>	<b>42,889</b>	<b>82,411</b>	<b>1,883,087</b>	1,743,480
Support costs	45,294	25,978	10,982	157	-	(82,411)	-	-
Governance costs	23,573	13,519	5,715	82	(42,889)	-	-	-
<b>Total expenditure 2022</b>	<b>1,034,969</b>	<b>593,585</b>	<b>250,936</b>	<b>3,596</b>	<b>-</b>	<b>-</b>	<b>1,883,087</b>	
Total expenditure 2021	816,392	790,070	127,626	9,392	-	-		1,743,480

The Inland Waterways Association

Notes to the financial statements

For the year ended 31 December 2022

6b Analysis of expenditure (prior year)

	Charitable activities						2021 Total £
	Raising funds £	Campaign and restoration costs £	Membership support costs £	Public meetings and other activities £	Governance costs £	Support costs £	
Staff costs (Note 9)	369,006	369,079	74,707	-	26,159	105,313	944,264
Building and infrastructure costs	3,187	66,122	16,850	-	6,037	24,307	116,503
Meeting, travel and officers' expenses	-	2,395	-	-	-	-	2,395
Donations and grants	-	53,000	-	-	-	-	53,000
Work Party costs	-	9,080	-	-	-	-	9,080
WRG restoration costs	-	55,602	-	-	-	-	55,602
Branch and region magazines, printing, advertising expense	-	-	-	-	-	-	-
Campaign costs	-	41,583	-	-	-	-	41,583
Other direct costs	2,330	37,518	-	-	-	-	39,848
Restoration Hub	-	26,110	-	-	-	-	26,110
Membership and recruitment	-	31,829	21,326	-	-	-	53,155
Public meetings and other activities	-	-	-	8,307	-	-	8,307
Depreciation and amortisation	38,991	6,485	-	-	-	14,271	59,747
Investment management costs	9,401	-	-	-	-	-	9,401
Bank charges	6,594	-	-	-	-	-	6,594
Navigation management costs	253,488	-	-	-	-	-	253,488
Charitable trading	922	-	-	-	-	-	922
Other events and activities	38,165	-	-	-	-	-	38,165
Audit fees	-	-	-	-	19,813	-	19,813
Legal and professional services	-	-	-	-	-	4,074	4,074
Trustee indemnity insurance costs	-	-	-	-	1,429	-	1,429
AGM and other meeting costs	-	-	-	-	-	-	-
	722,084	698,803	112,883	8,307	53,438	147,965	1,743,480
Support costs	69,285	67,052	10,831	797	-	(147,965)	-
Governance costs	25,023	24,215	3,912	288	(53,438)	-	-
<b>Total expenditure 2021</b>	<b>816,392</b>	<b>790,070</b>	<b>127,626</b>	<b>9,392</b>	<b>-</b>	<b>-</b>	<b>1,743,480</b>

**7a Grant making (current year)**

Cost	Grants to	2022
	institutions	£
Langport Town Council	2,490	<b>2,490</b>
Swansea Canal Society Coed Park Slipway project	15,256	<b>15,256</b>
Wilts & Berks Canal Trust Shrivenham Canal Park project	13,362	<b>13,362</b>
Other grants	10,907	<b>10,907</b>
At the end of the year	42,015	<b>42,015</b>

The grant payments to Swansea Canal Society and Wilts & Berks Canal Trust were made from the Waterways In Progress Fund, which waterways groups were invited to bid for in 2019, to run projects that promote the benefit of restoration schemes.

**7b Grant making (prior year)**

Cost	Grants to	2021
	institutions	£
Stover Canal Trust reconstruction of crane at Ventiford Basin	11,500	<b>11,500</b>
Christopher Power Prize to Buckingham Canal Society	1,000	<b>1,000</b>
Contribution to Lancaster Canal Restoration Partnership project management and running costs	2,500	<b>2,500</b>
The Susan Trust restoration of historic lighter	15,000	<b>15,000</b>
Swansea Canal Society Coed Park Slipway project	6,164	<b>6,164</b>
Wilts & Berks Canal Trust Shrivenham Canal Park project	2,940	<b>2,940</b>
Ashby Canal Association canal path	6,202	<b>6,202</b>
Small donations made by branches to local causes	7,356	<b>7,356</b>
At the end of the year	52,662	<b>52,662</b>

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

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

**8 Net income / (expenditure) for the year**

This is stated after charging / (crediting):

	2022	2021
	£	£
Depreciation and amortisation	<b>66,990</b>	59,793
Operating lease rentals	<b>72,638</b>	65,289
Auditor's remuneration (excluding VAT):		
Audit	<b>21,700</b>	19,700
Other services	<b>4,150</b>	2,100

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

Staff costs were as follows:

	2022 £	2021 £
Salaries, wages and related costs	865,464	824,929
Social security costs	68,808	66,234
Employer's contribution to defined contribution pension schemes	48,294	53,101
	<b>982,566</b>	<b>944,264</b>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2022 No.	2021 No.
£60,000 – £69,999	-	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £292,136 (2021: £367,884).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

The members of the Board of Trustees receive no remuneration for their services. During the year 4 (2021: 2) members were reimbursed travel and incidental expenses incurred in respect of their services to the Group totalling £1,758 (2021: £521). Included in creditors at the year end is £nil (2021: £nil) owed to Trustees for their expenses. The premium for trustee indemnity insurance for members of the Board of Trustees was £2,408 (2021: £1,429).

**10 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was 61 (2021: 45).

**11 Related party transactions**

During the year the company purchased goods (net of VAT) totalling £9,381 (2021: £18,518) from Chandler Material Supplies Limited, a company controlled by family members related to Roy Chandler, a director of Essex Waterways Limited. The balance due to Chandler Material Supplies Limited as at 31 December 2022 was £150 (2021: £1,201). All transactions were undertaken on a commercial arm's length basis.

Aggregate donations from related parties were £Nil (2021: £441).

**12 Taxation**

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

13 Intangible fixed assets

	IT software and website	Total
	£	£
<b>Group and Charity Cost</b>		
At the start of the year	91,344	<b>91,344</b>
Additions in year	5,593	<b>5,593</b>
Disposals in year	-	-
	<hr/>	<hr/>
At the end of the year	96,937	<b>96,937</b>
<b>Amortisation</b>		
At the start of the year	15,042	<b>15,042</b>
Charge for the year	18,254	<b>18,254</b>
Eliminated on disposal	-	-
	<hr/>	<hr/>
At the end of the year	33,295	<b>33,295</b>
<b>Net book value</b>		
<b>At the end of the year</b>	<hr/> <hr/>	<hr/> <hr/>
	63,642	<b>63,642</b>
	<hr/>	<hr/>
At the start of the year	76,302	76,302
	<hr/> <hr/>	<hr/> <hr/>

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

14 Tangible fixed assets

	Buildings and leasehold improvements	Computer equipment	Plant and equipment	Motor vehicles	Total
Group Cost	£	£	£	£	£
At the start of the year	33,043	14,401	629,147	185,425	862,016
Additions in year	5,145	6,368	7,374	-	18,887
Disposals in year	-	-	-	-	-
At the end of the year	38,188	20,769	636,521	185,425	880,903
<b>Depreciation</b>					
At the start of the year	13,893	14,121	325,861	182,781	536,656
Charge for the year	4,243	280	43,104	1,109	48,736
Eliminated on disposal	-	-	-	-	-
At the end of the year	18,136	14,401	368,965	183,891	585,393
<b>Net book value</b>					
<b>At the end of the year</b>	20,052	6,368	267,556	1,534	295,510
At the start of the year	19,150	280	303,286	2,644	325,360

	Computer equipment	Plant and equipment	Motor vehicles	Total
Charity Cost	£	£	£	£
At the start of the year	14,401	104,718	164,393	283,512
Additions in year	6,368	2,485	-	8,853
Disposals in year	-	-	-	-
At the end of the year	20,769	107,203	164,393	292,365
<b>Depreciation</b>				
At the start of the year	14,121	101,202	164,393	279,716
Charge for the year	280	1,488	-	1,768
Eliminated on disposal	-	-	-	-
At the end of the year	14,401	102,690	164,393	281,484
<b>Net book value</b>				
<b>At the end of the year</b>	6,368	4,513	-	10,881
At the start of the year	280	3,516	-	3,796

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

Notes to the financial statements

For the year ended 31 December 2022

15 Investment properties

	2022	2021
	£	£
<b>Group and charity</b>		
Fair value at the start of the year	375,000	343,000
Additions	-	-
Disposals	-	-
Revaluation during the year	-	-
	<u>375,000</u>	<u>343,000</u>

A professional valuation carried out by Berrys, property advisors, reported a value of £375,000 at 31 December 2021.

As the property cannot be sold, the professional valuation is assessed on the basis of the right to receive rental income. A tenancy contract was in place at 31 December 2021, achieving a rental in line with that assumed in the valuation.

16 Investments

	2022	2021
	£	£
Fair value at the start of the year	1,430,799	1,409,842
Additions at cost	289,665	323,635
Disposal proceeds	(393,485)	(391,963)
Net gain / (loss) on change in fair value	(213,751)	89,285
	<u>1,113,227</u>	<u>1,430,799</u>
Cash held by investment advisors pending reinvestment	7,612	12,115
	<u>1,120,840</u>	<u>1,442,914</u>

Investments comprise:

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Listed investments	1,113,229	1,430,797	1,113,229	1,430,799
Other investments	-	2	-	-
Loan to Essex Waterways Ltd	-	-	20,049	31,953
Cash deposits	7,612	12,115	7,612	12,115
Shares in subsidiary companies	-	-	4	4
	<u>1,120,840</u>	<u>1,442,914</u>	<u>1,140,893</u>	<u>1,474,871</u>

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

**Name**

Wholly owned subsidiaries of the charity:

Essex Waterways Limited  
Inland Waterways Enterprises Ltd  
Waterway Recovery Group Ltd

**Business activity**

Manages the Chelmer & Blackwater Navigation  
Undertakes shop and event trading  
Dormant – non trading

Inland Waterways Enterprises Ltd was actively trading in 2022 but did not meet the trading limit and therefore had its income and expenses transferred over to Inland Waterways Association (2021: active).

**17 Subsidiary undertaking**

The Charity owns the whole of the issued ordinary share capital of Inland Waterways Enterprises Limited, company number 10382346 and Essex Waterways Limited, company number 05545459. Each company is registered in England and details of their activities are given in note 16. The subsidiaries are used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities.

A summary of the results of Essex Waterways Limited is shown below:

	2022 £	2021 £
Turnover	815,875	745,684
Cost of sales	(81,149)	(86,166)
<b>Gross profit/(loss)</b>	<b>734,726</b>	<b>659,518</b>
Operating costs	(749,792)	(524,556)
Administrative expenses	(14,515)	(11,206)
Management charge payable to parent undertaking	(27,250)	(27,250)
<b>Profit/(loss) on ordinary activities before interest and taxation</b>	<b>(56,831)</b>	<b>96,506</b>
Interest receivable and similar income	198	51
Interest payable	(1,936)	(1,094)
Interest payable to parent undertaking	(847)	(1,276)
<b>Profit / (loss) on ordinary activities before taxation</b>	<b>(59,416)</b>	<b>94,187</b>
Taxation on profit on ordinary activities	-	-
<b>Profit / (loss) for the financial year</b>	<b>(59,416)</b>	<b>94,187</b>
<b>Retained earnings</b>		
Total retained earnings brought forward	238,568	144,381
Profit / (loss) for the financial year	(59,416)	94,187
Distribution under Gift Aid to parent charity	-	-
<b>Total retained earnings carried forward</b>	<b>179,152</b>	<b>238,568</b>
The aggregate of the assets, liabilities and reserves was:		
Assets	382,641	474,660
Liabilities	(192,797)	(225,401)
<b>Reserves</b>	<b>189,844</b>	<b>249,259</b>

Essex Waterways Limited's total reserves of £189,844 include a £10,690 revaluation reserve and £1 share capital, as well as its retained earnings.

The subsidiary owed its parent £20,049 (2021: £36,088) at year end, comprising a long term loan of £20,049 (2021: £31,953) and recharges of £nil (2021: (£4,135)).

**18 Parent charity**

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

	2022 £	2021 £
Gross income	928,045	1,119,113
Result for the year	(321,401)	10,830

19 Stock

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Goods for resale	13,347	10,529	13,347	10,529
	<b>13,347</b>	<b>10,529</b>	<b>13,347</b>	<b>10,529</b>

20 Debtors

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	16,777	50,226	15,579	237
Amounts due from associated undertakings	-	-	24	-
Taxation and social security	-	-	-	2,437
Other debtors, accrued income and prepayments	102,360	203,754	94,941	191,445
	<b>119,137</b>	<b>253,980</b>	<b>110,544</b>	<b>194,119</b>

21 Creditors: amounts falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	61,779	69,200	41,530	49,642
Taxation and social security	30,685	20,673	8,012	-
Life membership account	1,744	1,690	1,744	1,690
Other creditors	86,144	104,298	59,763	63,461
Victoria Loan payments due	5,500	5,500	-	-
Amounts due to associated undertakings	-	-	-	32,378
Deferred income (note 22)	38,946	56,139	3,781	8,450
	<b>224,798</b>	<b>257,500</b>	<b>114,830</b>	<b>155,621</b>

At the balance sheet date, IWA held funds on behalf of Lancaster Canal Regeneration Partnership (LRCP) in a separate bank account amounting to £16,362 (2021: £16,362). These funds have not been accounted for as assets or liabilities of the IWA.

22 Deferred income (group)

Deferred income at year end comprises income received in advance for waterways events due to be held in 2023, annual canoe licence fees paid in advance, trip boat hire booked in advance, some mooring income paid in advance and some small grants awarded for future year activities.

	2022	2021
	£	£
Balance at the beginning of the year	56,139	55,333
Amount released to income in the year	(56,139)	(55,333)
Amount deferred in the year	38,946	56,139
	<b>38,946</b>	<b>56,139</b>

**23 Creditors: amounts falling due after one year**

**Life Membership & Victoria Loan account**

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

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Life membership	4,069	5,222	4,069	5,222
Loan for trip boat Victoria	18,792	24,292	-	-
	<b>22,861</b>	<b>29,514</b>	<b>4,069</b>	<b>5,222</b>
Repayable in greater than 5 years	505	1,071	-	1,071

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

2028	285
2029	173
2030	47

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

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

Group	General			Total funds
	unrestricted	Designated	Restricted	
	£	£	£	£
Intangible fixed assets	63,642	-	-	63,642
Tangible fixed assets	262,490	-	33,020	295,510
Investment properties	-	-	375,000	375,000
Investments	128,254	70,655	921,931	1,120,840
Net current assets	242,238	164,825	-	407,063
Long term liabilities	(22,861)	-	-	(22,861)
<b>Net assets at 31 December 2022</b>	<b>673,763</b>	<b>235,480</b>	<b>1,329,951</b>	<b>2,239,194</b>

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

Group	General			Total funds
	unrestricted	Designated	Restricted	
	£	£	£	£
Intangible fixed assets	76,302	-	-	76,302
Tangible fixed assets	291,210	-	34,150	325,360
Investment properties	-	-	343,000	343,000
Investments	248,898	256,262	937,754	1,442,914
Net current assets	345,016	155,330	-	500,346
Long term liabilities	(29,514)	-	-	(29,514)
<b>Net assets at 31 December 2021</b>	<b>931,912</b>	<b>411,592</b>	<b>1,314,904</b>	<b>2,658,408</b>

25a Movements in funds (current year)

Group	At 1 January 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2022 £
<b>Restricted funds:</b>					
Charles Hadfield Fund	5,856	-	-	-	5,856
Lancashire Canals Fund	96	-	-	-	96
The Christopher Power Award Fund	5,385	-	(1,000)	-	4,385
The New Power Family Award Fund	23,603	-	-	-	23,603
Research & Studies Fund	3,701	-	-	-	3,701
Waterway Recovery Group Fund	132,094	11,430	(23,383)	(18,000)	102,141
Frederick Woodman Fund	3	-	-	-	3
J Faulkner Fund	31,164	-	(1,438)	-	29,726
Keith Ayling Legacy Fund	1,376	-	-	-	1,376
Averil Dobson Legacy Fund	304,112	-	-	-	304,112
Mary Jackson Legacy Boat House Fund	343,000	32,000	-	-	375,000
Alison Spooner Legacy Fund	140,468	-	-	-	140,468
Kenneth Todd Legacy Fund	1,000	-	-	-	1,000
Historic England Fund	4,047	11,555	(11,285)	-	4,317
Essex Waterways Ltd Trip Boat Grant	21,854	-	-	-	21,853
Essex Waterways Ltd City Boat Grant	11,167	-	-	-	11,167
Environment Agency	4,863	-	-	-	4,863
South West Inland Waterways Regeneration Fund	44,239	1,000	(16,106)	-	29,133
David Goodwin Legacy Fund	99,256	-	-	-	99,256
John Alan Cadisch Legacy Fund	88,123	73	-	-	88,196
Walter Edward Higgs Legacy Fund	34,500	22	-	-	34,522
Restoration Hub	7,500	12,500	-	-	20,000
Aberdulais Aqueduct	-	4,360	(4,360)	-	-
Cummins Power Systems	-	12,068	(3,651)	-	8,417
Nantwich Embankment Bench	-	1,000	-	-	1,000
David Pinkney legacy For benefit of Chelmer & Blackwater	-	36,810	-	-	36,810
Gordon Edward Muspratt legacy	-	2,000	-	-	2,000
Other Grants	7,497	1,452	-	-	8,950
<b>Total restricted funds</b>	<b>1,314,904</b>	<b>126,270</b>	<b>(61,223)</b>	<b>(18,000)</b>	<b>1,361,951</b>
<b>Unrestricted funds:</b>					
Funds held by Regions and Branches	155,330	28,594	(19,099)	-	164,825
Chelmer & Blackwater Number 2 Fund	63,904	-	(63,904)	-	-
Chelmer & Blackwater Number 3 Fund	7,546	-	(7,546)	-	-
Tony Harrison legacy	118	-	-	-	118
Waterways in Progress	84,694	-	(14,157)	-	70,537
Loan facility to EWL	100,000	-	-	(100,000)	-
<b>Total designated funds</b>	<b>411,592</b>	<b>28,594</b>	<b>(104,706)</b>	<b>(100,000)</b>	<b>235,480</b>
<b>Revaluation reserve</b>	<b>10,690</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,690</b>
<b>General funds</b>	<b>921,222</b>	<b>1,309,006</b>	<b>(1,717,156)</b>	<b>118,000</b>	<b>631,073</b>
<b>Total unrestricted funds</b>	<b>1,343,504</b>	<b>1,337,600</b>	<b>(1,821,862)</b>		<b>877,243</b>
<b>Total funds</b>	<b>2,658,408</b>	<b>1,463,870</b>	<b>(1,883,084)</b>	<b>-</b>	<b>2,239,194</b>

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

25b Movements in funds (prior year)

Group	At 1 January 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2021 £
<b>Restricted funds:</b>					
Charles Hadfield Fund	5,856	-	-	-	5,856
Lancashire Canals Fund	96	-	-	-	96
The Christopher Power Award Fund	6,385	-	(1,000)	-	5,385
The New Power Family Award Fund	23,603	-	-	-	23,603
Research & Studies Fund	5,923	-	(2,222)	-	3,701
Waterway Recovery Group Fund	146,913	22,656	(31,512)	(5,963)	132,094
Frederick Woodman Fund	3	-	-	-	3
J Faulkner Fund	31,164	-	-	-	31,164
Keith Ayling Legacy Fund	1,376	-	-	-	1,376
Averil Dobson Legacy Fund	306,612	-	(2,500)	-	304,112
Mary Jackson Legacy Boat House Fund	343,000	-	-	-	343,000
Alison Spooner Legacy Fund	140,468	-	-	-	140,468
Kenneth Todd Legacy Fund	1,000	-	-	-	1,000
Historic England Fund	3,413	22,025	(21,391)	-	4,047
Heritage Lottery Fund	(4,570)	14,515	(9,945)	-	-
Essex Waterways Ltd Trip Boat Grant	23,140	-	(1,286)	-	21,854
Essex Waterways Ltd City Boat Grant	-	12,000	(833)	-	11,167
Environment Agency	10,616	-	(5,753)	-	4,863
South West Inland Waterways Regeneration Fund	-	55,739	(11,500)	-	44,239
David Goodwin Legacy Fund	-	99,256	-	-	99,256
John Alan Cadisch Legacy Fund	-	88,123	-	-	88,123
Walter Edward Higgs Legacy Fund	-	34,500	-	-	34,500
Restoration Hub	-	7,500	-	-	7,500
Other Grants	3,614	11,024	(9,802)	2,661	7,497
<b>Total restricted funds</b>	<b>1,048,612</b>	<b>367,338</b>	<b>(97,744)</b>	<b>(3,302)</b>	<b>1,314,904</b>
<b>Unrestricted funds:</b>					
Funds held by Regions and Branches	154,934	29,166	(26,109)	(2,661)	155,330
Chelmer & Blackwater Number 2 Fund	63,904	-	-	-	63,904
Chelmer & Blackwater Number 3 Fund	50,000	-	(42,454)	-	7,546
Tony Harrison legacy	118	-	-	-	118
Waterways in Progress	100,000	-	(15,306)	-	84,694
Loan facility to EWL	-	-	-	100,000	100,000
Total designated funds	368,956	29,166	(83,869)	97,339	411,592
<b>Revaluation reserve</b>	<b>10,690</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,690</b>
<b>General funds</b>	<b>1,114,124</b>	<b>1,463,002</b>	<b>(1,561,867)</b>	<b>(94,037)</b>	<b>921,222</b>
<b>Total unrestricted funds</b>	<b>1,493,770</b>	<b>1,492,168</b>	<b>(1,645,736)</b>	<b>3,302</b>	<b>1,343,504</b>
<b>Total funds</b>	<b>2,542,382</b>	<b>1,859,506</b>	<b>(1,743,480)</b>		<b>2,658,408</b>

**Purposes of restricted funds**

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

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

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

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

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

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

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

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

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

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

The Alison Spooner Legacy Fund was a bequest to be used towards the Restoration Fund for the Cotswold Canals.

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

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

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

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

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

Funding for the Essex Waterways City Boat was provided by One Chelmsford towards the purchase of a boat, and the set up of the River Boat Rides project in Chelmsford.

The South West Inland Waterways Regeneration Fund has been established to provide small grants for waterway regeneration in the South West.

The David Goodwin Legacy Fund is a bequest to be used for the purpose of restoration or maintenance of one or more specific canals or waterways.

The John Alan Cadisch Legacy Fund is a bequest to the Waterway Recovery Group to be used for canal restoration projects.

The Walter Edward Higgs Legacy Fund is a bequest to the Waterway Recovery Group.

**Purposes of designated funds**

Income raised and expenditure spent by regions and branches are designated against those regions and branches. Occasionally grants are received by branches for restricted purposes and these are transferred to restricted funds.

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

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

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

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

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

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

	<b>Land and buildings</b>		<b>Other</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Less than one year	<b>19,386</b>	35,000	<b>4,112</b>	4,112
One to five years	<b>27,981</b>	8,750	-	4,112
	<b>47,367</b>	43,750	<b>4,112</b>	8,224

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

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

	<b>Property</b>	
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Less than one year	<b>27,120</b>	27,120
	<b>27,120</b>	27,120

**28 Legal status of the charity**

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

**THE INLAND WATERWAYS ASSOCIATION**

England & Wales - Charity number 212342

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# Accounts

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Company number: 00612245

Charity number: 212342

# The Inland Waterways Association

Report and financial statements

For the year ended 31 December 2021



**INLAND  
WATERWAYS**  
ASSOCIATION

# The Inland Waterways Association

## Contents

### For the year ended 31 December 2021

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Reference and administrative information .....	1
Trustees' annual report .....	3
Independent auditor's report .....	23
Statement of financial activities (incorporating an income and expenditure account) .....	28
Balance sheet .....	29
Statement of cash flows .....	30
Notes to the financial statements .....	31

# The Inland Waterways Association

## Reference and administrative information

For the year ended 31 December 2021

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**Company number** 00612245  
**Country of incorporation** United Kingdom

**Charity number** 212342  
**Country of registration** England & Wales

### Registered office and operational address

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

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

Rt Hon Sir Robert Atkins	
Richard Barnes	(until March 2022)
John Butler	
David Chapman	
Nicholas Dybeck	
Leslie Etheridge	(from May 2022)
Susan O'Hare	
Nicola Schiessel Harvey	(until September 2021)
Rebecca Hughes	(from September 2021)
Paul Rodgers	(until April 2022)
Ian Sesnan	(until January 2022)
Hannah Sterritt	(from September 2021)
Roger Stocker	(until September 2021)
Helen Whitehouse	(until September 2021)
Alison Woodhams	(until January 2022)

**Company Secretary** Genevieve Wilson

## The Inland Waterways Association

### Reference and administrative information

#### For the year ended 31 December 2021

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<b>Key management personnel</b>	Phil Hornsey	Chief Executive (from February 2021 until April 2022)
	Jonathan Smith	Chief Executive (from May 2022)
	Tracy Higgin	Administration Manager
	Alison Smedley	Campaigns & Public Affairs Manager
	Eileen Holland	Finance Manager – job share (until September 2021)
	Genevieve Wilson	Finance Manager (job share until September 2021; sole Finance Manager from this date)
	Alicen Stenner	Marketing Manager (until January 2021)
	Gemma Bolton	Acting Marketing Manager (from February 2021 until February 2022)
	Joanne Mass	Marketing Manager (from February 2022 until April 2022)
	Jenny Morris Anthony Comber	Volunteer & Restoration Hub Coordinator General Manager, Essex Waterways Ltd (from March 2021)
Steve Cottis	Navigation Manager, Essex Waterways Ltd (until February 2021)	
<b>Bankers</b>	Barclays Bank PLC 8 Market Place Kettering NN16 OAX	
<b>Investment advisers</b>	Quilter Cheviot Senator House 85 Queen Victoria Street London EC4V 4AB	
<b>Auditor</b>	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108–114 Golden Lane London EC1Y 0TL	

# **The Inland Waterways Association**

## **Trustees' annual report**

### **For the year ended 31 December 2021**

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The trustees present their report and the audited financial statements for the year ended 31 December 2021.

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

## **Objectives and activities**

### **Purposes and aims**

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

### **Who we are**

The Inland Waterways Association (IWA) is a charity governed and run by volunteers and supported by a small team of employees. We are the only independent, national charity dedicated to supporting and regenerating Britain's navigable rivers and canals as places for leisure, living and business.

Founded in 1946, IWA celebrated the 75<sup>th</sup> anniversary of its founding in 2021. We believe that the nation's waterways and surrounding environments are for everyone to enjoy, and we both campaign and take direct action to protect their continued existence.

IWA is a membership organisation comprising both individual and corporate members. The former include waterways experts, enthusiasts and members of the general public, and the latter include waterways-related businesses, charitable societies and groups interested in restoration and regeneration. We are an association in the true sense of the word, and by joining IWA our members help support and regenerate the nation's waterways, for the benefit of all, both now and into the future.

### **Why we exist**

The Inland Waterways Association was founded in 1946 in response to the very real risk that continued neglect of our historic waterways network would see a precious national asset lost forever.

It is only possible to walk or boat along many waterways now because of the tireless campaigning work of IWA and its volunteers over the last 75 years, with over 500 miles of derelict waterways brought back to life. But however well maintained they may appear, our waterways continue to

## The Inland Waterways Association

### Trustees' annual report

#### For the year ended 31 December 2021

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remain under considerable threat – from urban development, inadequate funding, lack of protection, loss of skills and knowledge, over-commercialisation and climate change.

### How we operate

Britain's waterways form a vast, open-air network of working canals and navigable rivers, connecting city and countryside, alive with boats and enjoyed by millions. IWA is dedicated to providing ongoing protection to this network, as well as supporting the regeneration of another 500 miles of currently derelict waterways.

The canals and rivers of England, Wales and Scotland are managed and maintained by a variety of navigation authorities. IWA works closely with these authorities to influence policy and decision-making, whilst constructively challenging them to work in the best interest of the waterways and their users.

We also work with other waterway groups, and a wide range of national and local authorities, voluntary, private and public sector organisations. In 2005, IWA's subsidiary company, Essex Waterways Ltd, became a navigation authority itself when it took over management of the Chelmer & Blackwater Navigation. The waterway is now run on a not-for-profit basis, and is a thriving asset for the benefit of the local community.

IWA also actively encourages waterways restoration, providing advice, guidance and hands-on, practical support to local restoration groups. Our Restoration Hub champions waterways restoration and provides restoration groups with access to the collective knowledge and skills of IWA staff and our active volunteer base, including planning and engineering professionals. These skills include those of IWA's Waterway Recovery Group (WRG) which is well-known in the sector and has a long-established reputation of practical waterway regeneration. WRG organises a yearly programme of highly popular, week-long waterway restoration holidays, training for volunteers around the country and carrying out work parties on most weekends through regional groups.

IWA's staff team is supported at every level by an active, committed and valued network of volunteers. These includes our local branches, who organise work parties, hold events, monitor and challenge planning applications that might be detrimental to the waterways, arrange waterside walks and tours, and liaise with many local groups and societies with common interests. IWA also benefits from advisory and operational groups, who work at a national level to support and implement our strategic objectives.

IWA relies on the support of our members, donors and volunteers, as well as income from grant-making bodies and commercial activities to make our waterways better. Membership income is put towards IWA's campaigning and restoration expenditure but covers just 20% of our costs. This leaves the remainder to be covered by donations, gifts in wills, grants and income from IWA's investments.

## What we want to achieve

### Draft high-level strategic objectives, 2022–2027

1. To be recognised as the organisation that shapes the national agenda for navigable waterways.
2. To inspire more people to use, appreciate and care for their local waterways.
3. To support the transformation of 500 more miles of waterways into places for leisure, living and business.
4. To establish waterways as a key asset for the environment and a way to mitigate and adapt to the climate emergency.
5. To operate as one team across the charity, working together to achieve our objectives.

These objectives will focus our efforts, enable better decision-making around our key activities and priorities, and allow us to communicate our ambitions in a clear way across the organisation and to external stakeholders.

## Statement of Public Benefit

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

## Achievements and performance

### 2021 – a year in summary

Despite the gradual scaling back of Covid-19 restrictions in 2021, many of our activities as a charity continued to be affected by the impact of successive lockdowns and the uncertainty around future planning, especially in the first half of the year. This impact was felt most for our hands-on volunteering activities and in-person events, resulting in the scaling back of our extremely popular Canal Camp programme and the cancellation of our iconic IWA Canalway Cavalcade multi-day event in Little Venice, London.

Despite this, we continued to support and deliver a considerable number of activities and achievements in 2021. Here are some of the main highlights of the year:

## **The Inland Waterways Association**

### **Trustees' annual report**

**For the year ended 31 December 2021**

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#### **January**

Following on from a period of lockdown in which the general public had rediscovered and appreciated their local waterways in new ways, it was appropriate that the first meeting of the All-Party Parliamentary Group for the Waterways, for which IWA provides the secretariat, was all about the importance of sufficiently funding rivers and canals.

We also announced four new IWA Silver Propeller Challenge locations, including Coventry Basin and the Kelpies. Eight crews have successfully completed the challenge, despite restrictions in 2020 and 2021. This challenge continues to encourage people to explore corners of the waterways where greater boating activity will encourage future regeneration.

#### **February**

We looked back on IWA's proud, 75-year legacy of campaigning for the waterways. Our 75th Anniversary Auction, hosted by celebrity auctioneer Charles Hanson, generated over £6,000 for IWA and brought some unique waterways memorabilia onto the market for the first time in many years.

IWA also launched the Waterways Watch initiative, a publicly accessible online reporting tool designed to help create a better picture of the issues that affect our country's canals and rivers, including problems accessing or moving along towpaths, issues caused by a lack of dredging and problems with navigation due to overgrown vegetation.

#### **March**

After a decade-long IWA campaign, the government announced that red diesel could continue to be used in boats – news very much welcomed by boat owners, boatyards and waterway-based fuel suppliers. The announcement also confirmed that all commercial boat operating industries would be able to continue to use red diesel – great news for the inland waterways freight movement and its wider aim of getting more traffic off the roads.

#### **April**

We worked hard to bring green boating to the forefront in with the launch of IWA's Green Boating Guide. This includes practical information on how diesel-powered boats can be more than 90% carbon-neutral and looks forward to the future of boating on the inland waterways. As part of this project, we continue to push for more charging points, more dredging, tax relief for biofuels and further research into future technologies.

#### **May**

Although it could not take place physically due to Covid restrictions, we celebrated IWA Canalway Cavalcade with a digital festival encouraging supporters to share their memories of the event.

#### **June**

Our unique waterways directory update revealed a new landmark number of 7,000 miles of British waterways. Of these, 5,000 miles are navigable today whilst the other 2,000 miles are either derelict or under restoration. This was as a result of further research on Scottish waterways, improved

## **The Inland Waterways Association**

### **Trustees' annual report**

#### **For the year ended 31 December 2021**

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coverage of former routes of river navigations and the inclusion of more branches of the Grand Union Canal in the London area.

#### **July**

Our Waterway Recovery Group's Canal Camps were back out digging. Our hard-working volunteers boosted the work of restorations on the Derby Canal, the River Waveney, Shrewsbury & Newport Canals and the Montgomery Canal. Given the important requirement to create and implement additional Covid-safe working practices, this was a particularly impressive achievement.

We also saw the fruits of our campaigning with the announcement of the reopening of the Thames under Hammersmith Bridge in London to river traffic.

#### **August**

We were delighted to catch up once again with our members, supporters and volunteers in person. This began with the return of the Crick Boat Show, with IWA hosting a display stand on the quayside, and continued just a few days later with the return of IWA's Festival of Water, held in Worcester at Perdiswell Park. Originally planned for 2020, and made possible by a fantastic group of IWA volunteers, the Festival proved a fitting celebration of the meeting between Tom Rolt and Robert Aickman that saw the founding of IWA 75 years ago.

Also in August, IWA volunteers and the River Foss Society re-opened Castle Mills Lock in York, giving access once again to the River Foss from the River Ouse in the city centre, with a new formal agreement with City of York Council allowing IWA volunteers to operate the lock.

#### **September**

This was a busy month for campaigning and especially for plans to save Aberdulais Aqueduct, a Scheduled Ancient Monument on the Tennant Canal. The aqueduct is in a poor state following flood events that caused significant damage to the structure, with a survey needed to get a better idea of the scale of the repair work and potential cost implications. Following a successful application for a CADW grant, the structure has now been surveyed by a specialist in creative conservation of historic buildings and structures.

In another significant victory for the waterways, the Uttoxeter Canal in Staffordshire saw off a planning application that would have blocked the restoration. Campaigning from IWA and the Caldon & Uttoxeter Canals Trust garnered significant support, including from actor and IWA Vice President, Sir David Suchet.

#### **October**

We launched a campaign to save waterways heritage. As well as celebrating the rich, living heritage of the waterways, our campaign video highlighted the risks to it. Supporters shared photos of hidden waterways heritage, celebrating some of the less well-known canal and river heritage such as mile posts and rope marks. Off the back of the campaign, IWA launched a financial appeal to support IWA's future work in this area, which to date has raised over £17,000.

## **The Inland Waterways Association**

### **Trustees' annual report**

#### **For the year ended 31 December 2021**

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IWA also hosted the annual Waterway Restoration Conference, an event organised jointly with the Canal & River Trust. Over 80 key figures from the restoration world joined us online, including keynote speakers, to look at how the waterways sector can work together in a greener way.

#### **November**

We were delighted to hear that Bridgwater Docks would receive funding from the government's Towns Fund, and that the Montgomery Canal restoration would receive funding from the government's Levelling Up Fund. IWA's local Branches have both campaigned for this funding, and we look forward to the positives that the regenerated waterways will bring to local people.

As COP26 got underway in Glasgow, IWA celebrated the success of our trial in boats of Hydrotreated Vegetable Oil (HVO), a fuel that is more than 90% carbon neutral. In the trial, HVO was used for propulsion, domestic use and heating in a cross-section of the existing fleet on the inland waterways network, including boats with relatively modern diesel engines as well as older, more traditional engines and even a few historic vessels. The feedback was overwhelmingly positive, demonstrating that HVO is indeed a viable alternative to diesel fuel, as well as being a straight drop-in replacement compatible with fuel that is already in a boat's tank.

#### **December**

Ending the year on a positive note, we received the fantastic news that Shardlow had been awarded Inland Heritage Port status, following IWA's support of its application to the Maritime Heritage Trust earlier in the year. Close to where the Trent & Mersey Canal joins the River Trent, Shardlow is thought to be England's earliest most complete surviving example of an inland canal port.

### **A thank you to IWA volunteers, supporters and staff**

IWA would not exist without the generosity of our members and donors, and the successes outlined above would not be achieved without the incredible commitment of our volunteers and staff. By supporting us through membership subscriptions or donations, or by contributing time through volunteering, these individuals ensure our organisation can continue to do such valuable work to support, protect and regenerate the nation's navigable rivers and canals, for everyone to enjoy.

Due to the effects of the Covid-19 pandemic and subsequent lockdowns on our grassroots activity, this year we took the decision not to proceed with our national volunteer awards. Nevertheless, we would like to record our heartfelt thanks to all volunteers, and for the unfailing support of waterway groups, corporate members and other bodies in our sector, for their amazing contribution to the work of IWA and our subsidiary company, Essex Waterways Ltd, during this unprecedented time.

### **Plans and Strategy for 2022**

In the year of the 75<sup>th</sup> anniversary of IWA's founding, we set out to make significant progress towards our ambition to be a contemporary organisation that is an effective guardian of the nation's navigable rivers and canals, with aims and objectives that are both relevant in the modern world and engaging for current and future generations of supporters and members.

## The Inland Waterways Association

### Trustees' annual report

#### For the year ended 31 December 2021

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To achieve this, in 2021 IWA's Board of Trustees and senior management team identified an ambitious but necessary programme of strategic projects to be undertaken. These will be a key focus for IWA in 2022 and include:

- **Financial Review and Sustainability Plan** – a full review of IWA's financial status and the development of a plan for a sustainable, balanced operational budget for the charity. This project was delegated to a specially constituted Financial Planning Group (FPG) and a plan was proposed to, and agreed by, IWA's Finance Committee and Board of Trustees in August 2021.
- **Role and Purpose Review** – a project to ensure clarity around why IWA exists and what we're here to do, ensuring the charity maintains its relevance and appeal to new and existing audiences going forward, and has the best chance of being a well-supported and sustainable organisation into the future. This project was carried out by the CEO and a specially constituted steering group in the first part of 2022.
- **High-level Strategic Objectives** – a project to define IWA's goals, the actions that will achieve them, and the metrics that will allow us to track our progress. These objectives will set clear boundaries to IWA's areas of focus, enable better decision-making around our key activities and priorities, and allow us to communicate our ambitions in a clear way across the organisation and to external stakeholders. This project was delegated to the CEO and a draft set of objectives produced in early 2022.
- **IWA Committees Review** – a project to ensure IWA's advisory groups are structured to meet the strategic and operational requirements of the charity, with clear objectives, terms of reference and reporting frameworks. This project is managed by IWA's Deputy Chairs and a number of steering groups in each of the existing committee areas.
- **Hybrid Operations Team Framework** – a project to ensure IWA has the right levels of professional expertise in key operational areas of the organisation to adopt new business practices, and adapt to a rapidly changing charity sector, to provide better service to its members, branches and stakeholders, and to ensure that staff and volunteer turnover does not disrupt essential organisational activities. This involves transitioning to a new 'hybrid' staff and volunteer framework, as commonly utilised by other charities. A newly recruited Volunteers Manager will be key to rolling this out during 2022.
- **IWA Promotion & Engagement Review** – a project to ensure IWA explores, identifies, adopts and delivers the most effective methods of engaging with both new and prospective members and supporters, across all channels, from social media to digital and print communications to in-person engagement at events, measured in terms of both meaningful interactions and cost-effectiveness. To take into account the latest IWA strategic positioning, this project would follow on from the Role and Purpose Review and High-level Strategic Objectives setting in 2022.
- **Campaigns Strategy Review** – a project to ensure that IWA has a suite of contemporary, consumer-focused campaigns that both retain and attract new members and funding, can be

visibly seen to achieve tangible outcomes, and actively contribute to IWA's financial objectives. To take into account the latest IWA strategic positioning, this project would follow on from the Role and Purpose Review and High-level Strategic Objectives setting in 2022.

- **Fundraising Focus** – a project to ensure that IWA takes meaningful steps to being a more financially sustainable organisation by developing an 'always fundraising' approach to its marketing and engagement activities, at both a national and local level. To take into account the latest IWA strategic positioning, this project would follow on from the Role and Purpose Review and High-level Strategic Objectives setting in 2022.

## Financial review

The main sources of income are subscriptions, legacies and donations. Our subsidiary Essex Waterways Limited runs the Chelmer and Blackwater Navigation on a standalone basis. Its income comes mainly from mooring fees, with growing revenue streams in canoe licences and boat trips. Both IWA and Essex Waterways Ltd have the benefit of very significant voluntary commitment.

Uncertainties around Covid-19 and its associated restrictions on activities continued during 2021, limiting or delaying until the latter part of the year some of IWA's practical restoration work and events, reducing both income and related expenditure. Restricted-use legacy receipts were significant and by the year end, the investment portfolio boasted a healthy gain.

## Principal funding sources

The Association's principal funding sources for 2021 were:

	Unrestricted £	Restricted £
Subscriptions from members	332,840	-
Donations	32,303	73,349
Grant Income	8,028	59,564
Legacies	99,791	221,880
Investment income	32,061	-

Other income is shown in notes 3-5 of the financial statements.

## Legacies

The Inland Waterways Association is very grateful for twelve bequests during the year totalling £321,671. Without this generosity it would not be possible for the Association to make the significant contribution it does to protecting and restoring the inland waterways. Our grateful thanks go to:

Julia Bastian  
Barbara Catherine Blossom  
Malcolm Braine  
John Cadisch  
George Eaves  
David Goodwin  
Walter Higgs  
Joyce Keep  
Alan Loasby  
Penelope Main  
Janet McFarling  
John Villers

## The Inland Waterways Association

### Trustees' annual report

#### For the year ended 31 December 2021

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Total net incoming resources for the group available during 2021 were £1,770,221 (2020: £1,409,909). This enabled expenditure of £1,743,480 (2020: £1,723,186). Combined with the gain on investments of £89,285 this increased the total funds carried forward to £2,658,408.

## Fundraising

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

Expenditure on charitable activity was £927,088 in 2021 which includes £790,070 on our campaigns to protect the waterways. Roughly 36% of this was funded by membership subscriptions, 7% from grant income and a further 22% of it was raised through donations and unrestricted legacies. The £221,880 of restricted legacies were received near the end year and so are carried forward for future activity. Essex Waterways Limited made an operating profit of £94,187 and its trading income was £745,684. There was some trading activity, sales of goods, in Inland Waterways Enterprises Limited in 2021, which resulted in an operating profit of £30,690, all gifted up to its parent, IWA, from income of £42,864.

As part of IWA's 75<sup>th</sup> anniversary celebrations, an online fundraising auction was held. It was hosted by celebrity auctioneer Charles Hanson and generated £4,450 of net income for the charity. A fundraising appeal on the theme of waterways heritage was held near the end of the year, in place of the annual raffle, and has, to date, raised over £17,000, with donations still being received.

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

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

Our complaints policy is also outlined on our online Volunteer Hub and explains how an individual can complain. We received no complaints about our fundraising activities in the 2021 financial year.

## Grants

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

The Arnold Clark Community Fund  
Environment Agency  
Essex County Council  
Heart of Bucks  
Heritage Lottery Fund  
Hinkley Point C Community Fund  
Historic England  
Kusuma Trust  
M J Camp Charitable Trust  
Northumbrian Water  
One Chelmsford (Business Improvement District)  
Richard Cadbury Charitable Trust  
Somerset West and Taunton Council  
Southend Borough Council (Covid Recovery Fund)

## Investment performance

The Association's investments showed a net gain of £89,285 during the year, from a portfolio value of £1,442,914 at 31 December 2021, £1,489,025 at 31 December 2020 and a drawdown in the year. The Association's investments were managed by Quilter Cheviot.

A full list of the investments held is provided to members of the Investment Working Group, which reports to Finance Committee, every three months, with interim valuations. The value of listed investments was £1,430,799 at 31 December 2021 and £1,409,842 at 31 December 2020 (see financial statements note 16). Investment income amounted to £32,061 (2020: £35,832). The portfolio is judged against an agreed benchmark and given the current market volatility the trustees were satisfied with the performance during the year. The Investment Working Group meets with the investment managers at least twice a year and will continue to monitor closely the performance against the benchmark for the forthcoming year.

## Key policies

### Investment policy

#### 1. Introduction

The overall financial objective is:

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

#### 2. Investment objective is

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

#### 3. Risk

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

#### 4. Liquidity

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

#### 5. Time Horizon

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

#### 6. Ethical Policy

- Invested in line with the Association's aims and giving due consideration to ESG factors.

#### 7. Management, Reporting and Monitoring

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

8. Approval and Review

- Effective from 7<sup>th</sup> April 2022.
- Reviewed annually.

## Principal risks and uncertainties

Maintaining a regular review of risk is one of trustees' key duties.

A designated trustee working group was set up in 2020 to carry out a thorough review and update of Risk Management. An updated policy and process was put in place, and a new Risk Register created. This has been continually reviewed, including, most recently, a simplified, reformatted and much more readable version.

The current top risks identified are:

- Unfilled vacancies in senior positions as a result of poor succession planning. Lack of capacity owing to staff shortages.
- Lack of resilience in IWA's IT infrastructure. IWA's IT security breached. Failure to comply with the General Data Protection Regulations (GDPR). Failure to achieve overall IT security.
- Lack of performance against agreed financial objectives through membership and other external income sources, exacerbated by over-dependence on core income sources and lack of budgetary control, means IWA is unable to fulfil its charitable objects.
- Failure to recognise changing trends and opportunities affecting the waterways sector, potentially impacting on long-term membership growth and campaigning influence.

The recently appointed CEO and Chair are developing strategies to be agreed by trustees to deal with the most important issues as quickly as possible. A number of actions have already been implemented.

The risks listed above are the most immediate and significant, but there are of course others. IWA's Risk Register is subject to continuous review by a dedicated working group, and other factors which are being carefully monitored at present include:

- Accurate, timely and relevant reporting to IWA Trustees.
- Providing a positive working environment and culture for staff, thus avoiding high staff turnover and non-compliance with employment legislation.
- Good internal communication between staff and volunteers, avoiding operational differences, confusion and failure to perform effectively.
- Health and Safety issues generally, involving staff, volunteers and the general public. This involves keeping our training and competence requirements up to date, providing written guidance where appropriate and carrying out site specific risk assessments for all activities.
- Compliance with charity law and the requirements of the Charity Commission.
- Compliance with the legal requirements applicable to any organisation, including matters such as GDPR as well as the more obvious financial regulations.

## The Inland Waterways Association

### Trustees' annual report

#### For the year ended 31 December 2021

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- Maintaining and presenting a clear, unique and compelling strategic proposition to keep IWA in the forefront of the waterways movement.
- Developing a governance structure that aligns with both our strategic objectives and our members' expectations.
- Maintaining all relevant and necessary insurance cover.
- The potential for changes in Government policy leading to unfavourable grant funding environments and affecting sources of income.

## Reserves policy and going concern

### Reserves policy

The Association's unrestricted funds comprise the following:

- The General Fund, representing the accumulated surplus on unrestricted funds, is available for use in furtherance of the charitable objectives of the Association.
- The Regions' and Branches' Fund, is designated fund and represents resources held to enable each region and branch to carry out its activities within the scope permitted by the Articles of Association and the byelaws.
- Other designated funds, which comprise larger unrestricted legacies and donations that have been allocated for specific purposes by the Board.

Restricted funds represent monies that are administered in accordance with the instructions or intentions of the donors.

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

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

## The Inland Waterways Association

### Trustees' annual report

#### For the year ended 31 December 2021

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The charity's free reserves equate to the General Fund less the funds invested in fixed assets and less the value of any commitments made from the General Fund. Trustees have decided that the lower limit for IWA's reserves should be set at £350,000, and have asked the Finance Committee to monitor reserves closely, and to suggest remedial action if they fall below £600,000.

Calculation of the lower limit was made with reference to listed risks. It also equates to 4 to 5 months of operating costs.

Total funds held by the group at 31 December 2021 were £2,658,408. Of this, £1,314,904 was restricted, including £343,000 relating to a property held by the charity for residential rental but which may not be sold. £155,330 was designated for the use of the branches, £256,262 designated for other purposes, leaving £931,912 of unrestricted funds. The free reserves of the charity at the same date were £563,264. In addition to commitments already given, trustees have planned an excess of expenditure over income for unrestricted funds of £288,133 in 2022.

A full review of the reserves policy is required and this will be actioned now that the Risk Register has been reviewed. The actions recommended by the new CEO have already reduced costs and further savings are planned for future years. The minimum level of reserves is still considered adequate.

### Going concern statement

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

The trustees have carried out a detailed assessment of the organisation's going concern status. Projections of the financial position and cashflow of general funds have been tested through scenarios where areas of higher risk, such as investment value, inflation, membership income, legacy income and fundraising, cause deterioration in financial performance in 2022 and/or 2023. The Board and its Finance Committee reviewed and challenged the assessment, with the final paper and their conclusions documented.

The directors of Essex Waterways Ltd have similarly carried out an assessment for the subsidiary. Their scenarios particularly tested the impact of a jump in inflation and the cost of living crisis and high, sudden maintenance expenditure in the event of the failure of a navigation asset.

The assessments concluded that the group would be able to meet its liabilities as they fall due for at least the twelve months from the date the annual accounts are approved. In the case of particularly severe and sustained falls in the value of investments, additional mitigating actions have been identified.

To be successful in negotiating base and downside scenarios, the IWA Board and executive must remain committed to the actions now in play to address its long standing deficit budgets. The financial planning work carried out and agreed in 2021 resulted in a multi-year plan to address

## The Inland Waterways Association

### Trustees' annual report

#### For the year ended 31 December 2021

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IWA's historic deficit budgets. It recognised that three years was a realistic timeframe in which to design and implement the changes needing to be made and that the free reserves position would get worse, temporarily falling below the policy minimum, before it would get better in order to do this. An additional legacy gift and IWA capitalising on opportunities that have since arisen will now help protect the levels of free reserves sooner.

However, it is now the large, sustained falls in the value of investments resulting from world events that are the most impactful and unpredictable financial risk to IWA. Although recoverable, the timing of recovery is uncertain, likely beyond the end of 2022, and so are likely to cause IWA's free reserves to fall below the policy minimum threshold during the next year. In the case of the size of the fall and the delay to recovery impacting unrestricted cash needs, the Board, Finance Committee and the executive are clear on mitigating actions to both relieve general funds and reduce cash needs.

2022 events to date of financial impact to IWA are referenced in note 29 'Post Balance Sheet Events'.

## Structure, governance and management

### Organisation

The Board of Trustees consists of eight members. Trustees held eleven formal Board meetings during 2021.

There are four principal committees of the Board of Trustees:

- Finance Committee
- Navigation Committee
- Waterway Recovery Group

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

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

A chief executive is appointed by the trustees to manage the day-to-day operations of the charity. They work closely with a Senior Management Group, comprising the Chair and Deputy Chairs of the Board, the National Treasurer and the Chair of Waterway Recovery Group. To facilitate effective operations, the chief executive has the delegated authority, within the terms of delegation approved by the trustees, for operational matters including finance and employment.

## Trustee remuneration and insurance

No trustee received any remuneration in respect of services to the Association, other than reimbursement of expenses incurred in providing such services. A premium in respect of trustee indemnity insurance for members of the trustee board of £1,429 including Insurance Premium Tax was paid during the year (2020: £1,429).

## Remuneration policy for key management personnel

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

## Governing documents

The Inland Waterways Association is a charitable company limited by guarantee, incorporated on 2 October 1958. It is governed by its Articles of Association dated 2 October 1958 and subsequent amendments, the most recent of which was approved at the AGM on 24 September 2016. The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association. The Articles now include the former Memorandum of Association.

IWA registered as a charity on 17 December 1962 and remains registered with the Charity Commission. Each member agrees to contribute £1 in the event of the charity winding up.

## Related parties and relationships with other organisations

The Inland Waterways Association has three subsidiary companies:

- Essex Waterways Limited, which began trading in November 2005, manages the Chelmer & Blackwater Navigation. The Company enjoys the support of Chelmsford City Council, Essex County Council, Northumbrian Water and Maldon District Council. It is a member of the Association of Inland Navigation Authorities.
- Inland Waterways Enterprises Limited began trading in August 2017 to undertake certain commercial activities to support IWA. It was dormant in 2020 but resumed trading in 2021.
- Waterway Recovery Group Ltd is dormant.

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

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

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

## Appointment of trustees

From 2020, the trustee recruitment process is based on a skills audit and is carried out by a panel. The panel's 2021 recommendations were put to the AGM for approval by the membership. Terms of office are usually for three years with a maximum of four consecutive terms before a three-year break must be taken. The appointment of trustees is staggered over a three-year period. All trustees are members of the Association. No trustee appointments are made by outside bodies.

## Trustee induction and training

New trustees are provided with a list of documents for recommended study and invited to attend induction sessions where they are given introductions to the activities of each team, as well as time speaking directly with the staff at Chesham office. New trustees are also provided with informal guidance from existing trustees.

## Statement of responsibilities of the trustees

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

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

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

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

In so far as the trustees are aware:

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

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2021 was 10,970 (2020: 11,387). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

## The Inland Waterways Association

### Trustees' annual report

For the year ended 31 December 2021

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## Auditor

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

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

The trustees' annual report has been approved by the trustees on 16 July 2022 and signed on their behalf by

Leslie Etheridge  
National Chair

## Independent auditor's report

To the members of

The Inland Waterways Association

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### Opinion

We have audited the financial statements of Inland Waterways Association (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2021 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

## Independent auditor's report

To the members of

The Inland Waterways Association

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### Other Information

The other information comprises the information included in the trustees' annual report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information, and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

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

## Independent auditor's report

To the members of

The Inland Waterways Association

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### Responsibilities of trustees

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

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

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

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

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

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

### Capability of the audit in detecting irregularities

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

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

## Independent auditor's report

To the members of

### The Inland Waterways Association

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

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

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

## Use of our report

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

## **Independent auditor's report**

**To the members of**

**The Inland Waterways Association**

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company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller (Senior statutory auditor)

16 September 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor

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

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

The Inland Waterways Association

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

For the year ended 31 December 2021

	Note	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
<b>Income from:</b>							
Donations, legacies and subscriptions	2	464,934	295,229	<b>760,163</b>	527,047	11,202	538,249
Charitable activities	3	34,277	70,790	<b>105,067</b>	120,684	58,658	179,342
Other trading activities	4	846,003	1,319	<b>847,322</b>	645,317	2,832	648,149
Investments	5	57,669	-	<b>57,669</b>	44,169	-	44,169
<b>Total income</b>		<b>1,402,883</b>	<b>367,338</b>	<b>1,770,221</b>	<b>1,337,217</b>	<b>72,692</b>	<b>1,409,909</b>
<b>Expenditure on:</b>							
Raising funds	6	807,410	8,982	<b>816,392</b>	779,156	25,335	804,491
Charitable activities							
Campaign and restoration costs	6	701,349	88,721	<b>790,070</b>	729,851	48,974	778,825
Membership support costs	6	127,588	38	<b>127,626</b>	135,638	1,590	137,228
Public meetings and other activities	6	9,389	3	<b>9,392</b>	2,639	3	2,642
<b>Total expenditure</b>		<b>1,645,736</b>	<b>97,744</b>	<b>1,743,480</b>	<b>1,647,284</b>	<b>75,902</b>	<b>1,723,186</b>
<b>Net income / (expenditure) before net gains / (losses) on investments</b>		<b>(242,853)</b>	<b>269,594</b>	<b>26,741</b>	<b>(310,067)</b>	<b>(3,210)</b>	<b>(313,277)</b>
Net gains / (losses) on investments	16	89,285	-	<b>89,285</b>	31,057	-	31,057
<b>Net income / (expenditure) for the year</b>	8	<b>(153,568)</b>	<b>269,594</b>	<b>116,026</b>	<b>(279,010)</b>	<b>(3,210)</b>	<b>(282,220)</b>
Transfers between funds		3,302	(3,302)	-	(30,000)	30,000	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>(150,266)</b>	<b>266,292</b>	<b>116,026</b>	<b>(309,010)</b>	<b>26,790</b>	<b>(282,220)</b>
Gains / (losses) on revaluation of fixed assets		-	-	-	-	-	-
<b>Net movement in funds</b>		<b>(150,266)</b>	<b>266,292</b>	<b>116,026</b>	<b>(309,010)</b>	<b>26,790</b>	<b>(282,220)</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		1,493,770	1,048,612	<b>2,542,382</b>	1,802,780	1,021,822	2,824,602
<b>Total funds carried forward</b>		<b>1,343,504</b>	<b>1,314,904</b>	<b>2,658,408</b>	<b>1,493,770</b>	<b>1,048,612</b>	<b>2,542,382</b>

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

The Inland Waterways Association

Balance sheet

Company no. 00612245

As at 31 December 2021

	Note	Group 2021 £	2020 £	Charity 2021 £	2020 £
<b>Fixed assets:</b>					
Intangible assets	13	76,302	74,200	76,302	74,200
Tangible assets	14	325,360	219,866	3,796	10,075
Investment properties	15	343,000	343,000	343,000	343,000
Investments	16	1,442,914	1,489,025	1,474,871	1,538,514
		<b>2,187,576</b>	2,126,091	<b>1,897,969</b>	1,965,789
<b>Current assets:</b>					
Stock	19	10,529	6,574	10,529	6,574
Debtors	20	253,980	144,613	194,119	101,140
Cash at bank and in hand		493,337	569,427	402,533	428,084
		<b>757,846</b>	720,614	<b>607,181</b>	535,798
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	21	(257,500)	(267,628)	(155,621)	(130,517)
<b>Net current assets</b>		<b>500,346</b>	452,986	<b>451,560</b>	405,281
<b>Total assets less current liabilities</b>		<b>2,687,922</b>	2,579,077	<b>2,349,529</b>	2,371,070
Creditors: amounts falling due after one year	23	(29,514)	(36,695)	(5,222)	(6,903)
<b>Total net assets</b>		<b>2,658,408</b>	2,542,382	<b>2,344,307</b>	2,364,167
<b>The funds of the charity:</b>					
Restricted income funds	24	1,314,904	1,048,612	1,273,914	1,012,879
Unrestricted income funds:					
Designated funds		411,592	368,956	411,593	368,956
Revaluation reserve		10,690	10,690	-	-
General funds		921,222	1,114,124	658,800	982,332
Total unrestricted funds		<b>1,343,504</b>	1,493,770	<b>1,070,393</b>	1,351,288
<b>Total charity funds</b>		<b>2,658,408</b>	2,542,382	<b>2,344,307</b>	2,364,167

Approved by the trustees on 16th July 2022 and signed on their behalf by

Les Etheridge  
National Chair

John Butler  
National Treasurer

The Inland Waterways Association

Statement of cash flows

For the year ended 31 December 2021

	Note	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Net income for the reporting period (as per the statement of financial activities)		116,026		(282,220)	
Amortisation charges		12,382		2,660	
Depreciation charges		47,411		56,798	
Gains on investments		(89,285)		(31,057)	
Dividends, interest and rent from investments		(56,575)		(42,635)	
Increase in stocks		(3,955)		967	
Increase in debtors		(109,367)		408,918	
Decrease in creditors		(11,809)		46,778	
<b>Net cash provided by operating activities</b>			<b>(95,172)</b>		<b>160,209</b>
<b>Cash flows from investing activities:</b>					
Bank interest received		97		1,587	
Investment income received		57,572		42,582	
Purchase of fixed asset investments		(323,635)		(197,477)	
Purchase of additions to investment property		-		(30,000)	
Purchase of intangible fixed assets		(14,484)		(25,214)	
Purchase of tangible fixed assets		(152,905)		(13,360)	
Proceeds from sale of fixed asset investments		391,963		200,625	
<b>Net cash used in investing activities</b>			<b>(41,392)</b>		<b>(21,257)</b>
<b>Cash flows from financing activities:</b>					
Loan repayment including interest		(6,594)		(7,034)	
<b>Net cash used in financing activities</b>			<b>(6,594)</b>		<b>(7,034)</b>
<b>Change in cash and cash equivalents in the year</b>			<b>(143,158)</b>		<b>131,918</b>
Cash and cash equivalents at the beginning of the year			<b>648,610</b>		<b>516,692</b>
<b>Cash and cash equivalents at the end of the year</b>			<b>505,452</b>		<b>648,610</b>
<b>Analysis of cash and cash equivalents and of net debt</b>					
	At 1 January 2021 £	Cash flows £	Other non- cash changes £	At 31 December 2021 £	
Cash at bank and in hand	569,427	(76,090)	-	<b>493,337</b>	
Investment cash	79,183	(67,068)	-	<b>12,115</b>	
<b>Total cash and cash equivalents</b>	<b>648,610</b>	<b>(143,158)</b>	<b>-</b>	<b>505,452</b>	

**1 Accounting policies**

**a) Statutory information**

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

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

**b) Basis of preparation**

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

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

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

**c) Public benefit entity**

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

**d) Going concern**

The trustees have carried out a detailed assessment of the organisation's going concern status. Projections of the financial position and cashflow of unrestricted funds have been tested through scenarios where areas of higher risk, such as investment valuation, inflation, membership income, legacy income and fundraising, cause deterioration in financial performance in 2022 and/or 2023. The Board and its Finance Committee reviewed and challenged the assessment, with the final paper and conclusions documented.

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

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

**1 Accounting policies (continued)**

**e) Income**

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

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

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

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

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

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

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

**g) Interest receivable**

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

**h) Fund accounting**

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

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

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

**1 Accounting policies (continued)**

**i) Expenditure and irrecoverable VAT**

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

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of campaigning and restoration activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

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

**j) Grants payable**

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

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

**k) Allocation of support costs**

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

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

● Raising funds	47%
● Campaign and restoration costs	45%
● Membership support costs	7%
● Public meetings and other activities	1%

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

**l) Operating leases**

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

**m) Intangible fixed assets**

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

● IT software	3–7 years
● Website	4 years

**1 Accounting policies (continued)**

**n) Tangible fixed assets**

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

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

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

● Computer equipment	3 to 4 years
● Plant and equipment	3 to 10 years
● Motor vehicles	4 years
● Trip boats	6 to 20 years
● Buildings and leasehold improvements	10 years

**o) Investment properties**

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

**p) Listed investments**

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

**q) Investments in subsidiaries**

Investments in subsidiaries are at cost.

**r) Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. In general, cost is determined on a first in first out basis and includes transport and handling costs. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated items of stock, held for distribution or resale, are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

**s) Debtors**

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

1 Accounting policies (continued)

t) Cash at bank and in hand

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

u) Creditors and provisions

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

v) Financial instruments

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

2 Income from donations and legacies

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Donations	32,303	73,349	105,652	21,308	15,774	37,082
Legacies	99,791	221,880	321,671	165,551	(4,572)	160,979
Membership subscriptions	332,840	–	332,840	340,188	–	340,188
	<u>464,934</u>	<u>295,229</u>	<u>760,163</u>	<u>527,047</u>	<u>11,202</u>	<u>538,249</u>

IWA has been notified of legacies with an estimated value of £341,574 (2020: £232,000) which have not been included in income for the year ended 31 December 2021, because either probate has not been received or IWA is not satisfied that the amount receivable can be reliably measured.

3 Income from charitable activities

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Publications income	1,555	–	1,555	1,844	–	1,844
Public meetings and other activities	7,820	–	7,820	2,798	–	2,798
Grant income	8,028	59,564	67,592	91,838	58,658	150,496
Fundraising	16,874	11,226	28,100	24,204	–	24,204
	<u>34,277</u>	<u>70,790</u>	<u>105,067</u>	<u>120,684</u>	<u>58,658</u>	<u>179,342</u>

Restricted grant income includes grant proceeds from Historic England to fund specific waterway restoration activities by the Restoration Hub, Heritage Lottery Fund to facilitate guidance, training and digital resource programmes relevant to waterway restorations, the Southend Borough Council SEBCOR programme to boost businesses suffering the impacts of Covid-19 restrictions and One Chelmsford contribution towards the purchase of a boat with which to deliver public boat trips in Chelmsford.

The Inland Waterways Association

Notes to the financial statements

For the year ended 31 December 2021

4 Income from other trading activities

	Unrestricted	Restricted	2021 Total	Unrestricted	Restricted	2020 Total
	£	£	£	£	£	£
Navigation management income	735,020	-	<b>735,020</b>	568,012	-	568,012
Charitable trading	5,983	-	<b>5,983</b>	3,696	-	3,696
Other events and activities	105,000	1,319	<b>106,319</b>	73,609	2,832	76,441
	<u>846,003</u>	<u>1,319</u>	<u><b>847,322</b></u>	<u>645,317</u>	<u>2,832</u>	<u>648,149</u>

5 Income from investments

	Unrestricted	Restricted	2021 Total	Unrestricted	Restricted	2020 Total
	£	£	£	£	£	£
Rental income	25,511	-	<b>25,511</b>	6,750	-	6,750
Bank interest	97	-	<b>97</b>	1,587	-	1,587
Income from quoted investments	32,061	-	<b>32,061</b>	35,832	-	35,832
	<u>57,669</u>	<u>-</u>	<u><b>57,669</b></u>	<u>44,169</u>	<u>-</u>	<u>44,169</u>

All income from investments is unrestricted.

The Inland Waterways Association

Notes to the financial statements

For the year ended 31 December 2021

6a Analysis of expenditure (current year)

	Charitable activities						2021 Total £	2020 Total £
	Raising funds £	Campaign and restoration costs £	Membership support costs £	Public meetings and other activities £	Governance costs £	Support costs £		
Staff costs (Note 9)	369,006	369,079	74,707	-	26,159	105,313	<b>944,264</b>	894,431
Building and infrastructure costs	3,187	66,122	16,850	-	6,037	24,307	<b>116,503</b>	114,503
Meeting, travel and officers' expenses	-	2,395	-	-	-	-	<b>2,395</b>	3,188
Donations and grants	-	53,000	-	-	-	-	<b>53,000</b>	91,241
Work Party costs	-	9,080	-	-	-	-	<b>9,080</b>	4,526
WRG restoration costs	-	55,602	-	-	-	-	<b>55,602</b>	47,336
Branch and region magazines, printing, advertising expense	-	-	-	-	-	-	-	19,405
Campaign costs	-	41,583	-	-	-	-	<b>41,583</b>	7,606
Other direct costs	2,330	37,518	-	-	-	-	<b>39,848</b>	66,614
Restoration Hub	-	26,110	-	-	-	-	<b>26,110</b>	7,962
Membership and recruitment	-	31,829	21,326	-	-	-	<b>53,155</b>	16,154
Public meetings and other activities	-	-	-	8,307	-	-	<b>8,307</b>	2,265
Depreciation and amortisation	38,991	6,485	-	-	-	14,271	<b>59,747</b>	59,458
Investment management costs	9,401	-	-	-	-	-	<b>9,401</b>	8,957
Investment interest	6,594	-	-	-	-	-	<b>6,594</b>	6,768
Navigation management costs	253,488	-	-	-	-	-	<b>253,488</b>	323,492
Charitable trading	922	-	-	-	-	-	<b>922</b>	657
Other events and activities	38,165	-	-	-	-	-	<b>38,165</b>	14,592
Audit fees	-	-	-	-	19,813	-	<b>19,813</b>	29,535
Legal and professional services	-	-	-	-	-	4,074	<b>4,074</b>	1,967
Trustee indemnity insurance costs	-	-	-	-	1,429	-	<b>1,429</b>	1,429
AGM and other meeting costs	-	-	-	-	-	-	-	1,100
	<b>722,084</b>	<b>698,803</b>	<b>112,883</b>	<b>8,307</b>	<b>53,438</b>	<b>147,965</b>	<b>1,743,480</b>	<b>1,723,186</b>
Support costs	69,285	67,052	10,831	797	-	(147,965)	-	-
Governance costs	25,023	24,215	3,912	288	(53,438)	-	-	-
<b>Total expenditure 2021</b>	<b>816,392</b>	<b>790,070</b>	<b>127,626</b>	<b>9,392</b>	<b>-</b>	<b>-</b>	<b>1,743,480</b>	
Total expenditure 2020	804,491	778,825	137,228	2,642	-	-		1,723,186

The Inland Waterways Association

Notes to the financial statements

For the year ended 31 December 2021

6a Analysis of expenditure (prior year)

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

The Inland Waterways Association

Notes to the financial statements

For the year ended 31 December 2021

7a Grant making (current year)

Cost	Grants to institutions £	2021 £
Stover Canal Trust reconstruction of crane at Ventiford Basin	11,500	11,500
Christopher Power Prize to Buckingham Canal Society	1,000	1,000
Contribution to Lancaster Canal Restoration Partnership project management and running costs	2,500	2,500
The Susan Trust restoration of historic lighter	15,000	15,000
Swansea Canal Society Coed Park Slipway project	6,164	6,164
Wilts & Berks Canal Trust Shrivenham Canal Park project	2,940	2,940
Ashby Canal Association canal path	6,202	6,202
Small donations made by branches to local causes	7,356	7,356
At the end of the year	52,662	52,662

The grant payment to Stover Canal Trust was awarded from the new South West Inland Waterways Regeneration Fund, in response to the Fund's first invitation to local groups to bid for funds towards projects that fulfil its objectives.

The grant to The Susan Trust, a restoration project local to the Chelmer and Blackwater navigation, was made from the Chelmer and Blackwater Designated Fund.

The grant payments to Swansea Canal Society, Wilts & Berks Canal Trust and Ashby Canal Association were made from the Waterways In Progress Fund, which waterways groups were invited to bid for in 2019, to run projects that promote the benefit of restoration schemes.

7b Grant making (prior year)

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

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

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

8 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2021 £	2020 £
Depreciation and amortisation	59,793	59,458
Operating lease rentals	65,289	62,692
Auditor's remuneration (excluding VAT):		
Audit	19,700	18,750
Other services	2,100	1,650

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

Staff costs were as follows:

	2021 £	2020 £
Salaries, wages and related costs	824,929	782,985
Social security costs	66,234	62,204
Employer's contribution to defined contribution pension schemes	53,101	49,242
	<u>944,264</u>	<u>894,431</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2021 No.	2020 No.
£60,000 – £69,999	<u>1</u>	<u>-</u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £367,884 (2020: £367,137).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

The members of the Board of Trustees receive no remuneration for their services. During the year 2 (2020: 8) members were reimbursed travel and incidental expenses incurred in respect of their services to the Group totalling £521 (2020: £2,393). Included in creditors at the year end is £nil (2020: £229) owed to Trustees for their expenses. The premium for trustee indemnity insurance for members of the Board of Trustees was £1,429 (2020: £1,429).

**10 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was 45 (2020: 40).

**11 Related party transactions**

During the year the company purchased goods (net of VAT) totalling £18,518 (2020: £4,262) from Chandler Material Supplies Limited, a company controlled by family members related to Roy Chandler, a director of Essex Waterways Limited. The balance due to Chandler Material Supplies Limited as at 31 December 2021 was £1,201 (2020: £61). All transactions were undertaken on a commercial arm's length basis.

Included within donations and grants expenditure is £15,000 (2020: £nil) awarded by the Inland Waterways Association to The Susan Trust, a charity of which Roy Chandler, a director of Essex Waterways Limited, is a trustee.

Aggregate donations from related parties were £441 (2020: £102).

**12 Taxation**

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

13 Intangible fixed assets

	IT software and website	Total
	£	£
<b>Group and Charity</b>		
<b>Cost</b>		
At the start of the year	76,860	<b>76,860</b>
Additions in year	14,484	<b>14,484</b>
Disposals in year	-	-
	<hr/>	<hr/>
At the end of the year	91,344	<b>91,344</b>
	<hr/>	<hr/>
<b>Amortisation</b>		
At the start of the year	2,660	<b>2,660</b>
Charge for the year	12,382	<b>12,382</b>
Eliminated on disposal	-	-
	<hr/>	<hr/>
At the end of the year	15,042	<b>15,042</b>
	<hr/>	<hr/>
<b>Net book value</b>		
<b>At the end of the year</b>	76,302	<b>76,302</b>
	<hr/> <hr/>	<hr/> <hr/>
At the start of the year	74,200	74,200
	<hr/> <hr/>	<hr/> <hr/>

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

14 Tangible fixed assets

	Buildings and leasehold improvements	Computer equipment	Plant and equipment	Motor vehicles	Total
Group Cost	£	£	£	£	£
At the start of the year	16,489	14,401	497,085	182,097	710,072
Additions in year	16,554	-	133,023	3,328	152,905
Disposals in year	-	-	(961)	-	(961)
At the end of the year	33,043	14,401	629,147	185,425	862,016
<b>Depreciation</b>					
At the start of the year	10,528	12,633	290,934	176,111	490,206
Charge for the year	3,365	1,488	35,888	6,670	47,411
Eliminated on disposal	-	-	(961)	-	(961)
At the end of the year	13,893	14,121	325,861	182,781	536,656
<b>Net book value At the end of the year</b>	19,150	280	303,286	2,644	325,360
At the start of the year	5,961	1,768	206,151	5,986	219,866

	Computer equipment	Plant and equipment	Motor vehicles	Total
Charity Cost	£	£	£	£
At the start of the year	14,401	102,622	164,393	281,416
Additions in year	-	2,096	-	2,096
Disposals in year	-	-	-	-
At the end of the year	14,401	104,718	164,393	283,512
<b>Depreciation</b>				
At the start of the year	12,633	100,301	158,407	271,341
Charge for the year	1,488	901	5,986	8,375
Eliminated on disposal	-	-	-	-
At the end of the year	14,121	101,202	164,393	279,716
<b>Net book value At the end of the year</b>	280	3,516	-	3,796
At the start of the year	1,768	2,321	5,986	10,075

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

The Inland Waterways Association

Notes to the financial statements

For the year ended 31 December 2021

15 Investment properties

	2021	2020
	£	£
<b>Group and charity</b>		
Fair value at the start of the year	343,000	313,000
Additions	-	30,000
Disposals	-	-
Revaluation during the year	-	-
	<u>343,000</u>	<u>343,000</u>
Fair value at the end of the year	<u>343,000</u>	<u>343,000</u>

A professional valuation carried out by Berrys, property advisors, reported a value of £375,000 at 31 December 2021.

As the property cannot be sold, the professional valuation is assessed on the basis of the right to receive rental income. A tenancy contract was in place at 31 December 2021, achieving a rental in line with that assumed in the valuation.

The movement in value is immaterial to these accounts, so has not been updated this year.

16 Investments

	2021	2020
	£	£
Fair value at the start of the year	1,409,842	1,381,933
Additions at cost	323,635	197,477
Disposal proceeds	(391,963)	(200,625)
Net gain / (loss) on change in fair value	89,285	31,057
	<u>1,430,799</u>	<u>1,409,842</u>
Cash held by investment advisors pending reinvestment	12,115	79,183
Fair value at the end of the year	<u>1,442,914</u>	<u>1,489,025</u>

Investments comprise:

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Listed investments	1,430,797	1,409,840	1,430,799	1,409,842
Other investments	2	2	-	-
Loan to Essex Waterways Ltd	-	-	31,953	49,485
Cash deposits	12,115	79,183	12,115	79,183
Shares in subsidiary companies	-	-	4	4
	<u>1,442,914</u>	<u>1,489,025</u>	<u>1,474,871</u>	<u>1,538,514</u>

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

**Name**

Wholly owned subsidiaries of the charity:  
Essex Waterways Limited  
Inland Waterways Enterprises Ltd  
Waterway Recovery Group Ltd

**Business activity**

Manages the Chelmer & Blackwater Navigation  
Undertakes shop and event trading; dormant, non trading, in 2020  
Dormant – non trading

## 17 Subsidiary undertaking

The Charity owns the whole of the issued ordinary share capital of Inland Waterways Enterprises Limited, company number 10382346 and Essex Waterways Limited, company number 05545459. Each company is registered in England and details of their activities are given in note 16. The subsidiaries are used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities.

A summary of the results of Essex Waterways Limited is shown below:

	2021 £	2020 £
Turnover	745,684	688,907
Cost of sales	(86,166)	(188,418)
<b>Gross profit/(loss)</b>	<b>659,518</b>	500,489
Operating costs	(524,556)	(434,952)
Administrative expenses	(11,206)	(12,106)
Management charge payable to parent undertaking	(27,250)	(27,250)
<b>Profit/(loss) on ordinary activities before interest and taxation</b>	<b>96,506</b>	26,181
Interest receivable and similar income	51	1,219
Interest payable	(1,094)	(1,534)
Interest payable to parent undertaking	(1,276)	(1,947)
<b>Profit / (loss) on ordinary activities before taxation</b>	<b>94,187</b>	23,919
Taxation on profit on ordinary activities	-	-
<b>Profit / (loss) for the financial year</b>	<b>94,187</b>	23,919
<b>Retained earnings</b>		
Total retained earnings brought forward	144,381	170,462
Profit / (loss) for the financial year	94,187	23,919
Distribution under Gift Aid to parent charity	-	(50,000)
<b>Total retained earnings carried forward</b>	<b>238,568</b>	144,381
The aggregate of the assets, liabilities and reserves was:		
Assets	474,660	394,600
Liabilities	(225,401)	(239,528)
<b>Reserves</b>	<b>249,259</b>	155,072

Essex Waterways Limited's total reserves of £249,259 include a £10,690 revaluation reserve and £1 share capital, as well as its retained earnings.

The subsidiary owed its parent £36,088 (2020: £46,803) at year end, comprising a long term loan of £31,953 (2020: £49,485) and recharges of £4,135 (2020: (£2,682)).

Inland Waterways Enterprises Limited (IWEL) started trading activities in 2017. It generated a profit of £30,690, from revenue of £42,864 and costs of £12,174 (2020: dormant). The profit of IWEL was gifted up to the Association.

## 18 Parent charity

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

	2021 £	2020 £
Gross income	1,119,113	831,323
Result for the year	10,830	(254,854)

The Inland Waterways Association

Notes to the financial statements

For the year ended 31 December 2021

19 Stock

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Goods for resale	10,529	6,574	10,529	6,574
	<b>10,529</b>	<b>6,574</b>	<b>10,529</b>	<b>6,574</b>

20 Debtors

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	50,226	15,523	237	78
Taxation and social security	-	-	2,437	-
Other debtors, accrued income and prepayments	203,754	129,090	191,445	101,062
	<b>253,980</b>	<b>144,613</b>	<b>194,119</b>	<b>101,140</b>

21 Creditors: amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	69,200	50,902	49,642	27,263
Taxation and social security	20,673	23,465	-	14,320
Life membership account	1,690	2,050	1,690	2,050
Other creditors	104,298	130,378	63,461	73,350
Victoria Loan payments due	5,500	5,500	-	-
Amounts due to associated undertakings	-	-	32,378	2,682
Deferred income (note 22)	56,139	55,333	8,450	10,852
	<b>257,500</b>	<b>267,628</b>	<b>155,621</b>	<b>130,517</b>

At the balance sheet date, IWA held funds on behalf of Lancaster Canal Regeneration Partnership (LRCP) in a separate bank account amounting to £16,362 (2020: £16,362). These funds have not been accounted for as assets or liabilities of the IWA.

22 Deferred income (group)

Deferred income at year end comprises income received in advance for waterways events due to be held in 2022, annual canoe licence fees paid in advance, trip boat hire booked in advance, some mooring income paid in advance and some small grants awarded for future year activities.

	2021	2020
	£	£
Balance at the beginning of the year	55,333	35,830
Amount released to income in the year	(115,786)	(25,249)
Amount deferred in the year	116,592	44,752
Balance at the end of the year	<b>56,139</b>	<b>55,333</b>

**23 Creditors: amounts falling due after one year**

**Life Membership & Victoria Loan account**

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

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Life membership	5,222	6,903	5,222	6,903
Loan for trip boat Victoria	24,292	29,792	-	-
	<b>29,514</b>	<b>36,695</b>	<b>5,222</b>	<b>6,903</b>
Repayable in greater than 5 years	1,071	4,203	1,071	1,912

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

2027	566
2028	285
2029	173
2030	47

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

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

Group	General	Designated	Restricted	Total funds
	unrestricted			
	£	£	£	£
Intangible fixed assets	76,302	-	-	76,302
Tangible fixed assets	291,210	-	34,150	325,360
Investment properties	-	-	343,000	343,000
Investments	248,898	256,262	937,754	1,442,914
Net current assets	345,016	155,330	-	500,346
Long term liabilities	(29,514)	-	-	(29,514)
<b>Net assets at 31 December 2021</b>	<b>931,912</b>	<b>411,592</b>	<b>1,314,904</b>	<b>2,658,408</b>

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

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

The Inland Waterways Association

Notes to the financial statements

For the year ended 31 December 2021

25a Movements in funds (current year)

Group	At 1 January 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2021 £
<b>Restricted funds:</b>					
Charles Hadfield Fund	5,856	-	-	-	5,856
Lancashire Canals Fund	96	-	-	-	96
The Christopher Power Award Fund	6,385	-	(1,000)	-	5,385
The New Power Family Award Fund	23,603	-	-	-	23,603
Research & Studies Fund	5,923	-	(2,222)	-	3,701
Waterway Recovery Group Fund	146,913	22,656	(31,512)	(5,963)	132,094
Frederick Woodman Fund	3	-	-	-	3
J Faulkner Fund	31,164	-	-	-	31,164
Keith Ayling Legacy Fund	1,376	-	-	-	1,376
Averil Dobson Legacy Fund	306,612	-	(2,500)	-	304,112
Mary Jackson Legacy Boat House Fund	343,000	-	-	-	343,000
Alison Spooner Legacy Fund	140,468	-	-	-	140,468
Kenneth Todd Legacy Fund	1,000	-	-	-	1,000
Historic England Fund	3,413	22,025	(21,391)	-	4,047
Heritage Lottery Fund	(4,570)	14,515	(9,945)	-	-
Essex Waterways Ltd Trip Boat Grant	23,140	-	(1,286)	-	21,854
Essex Waterways Ltd City Boat Grant	-	12,000	(833)	-	11,167
Environment Agency	10,616	-	(5,753)	-	4,863
South West Inland Waterways Regenera	-	55,739	(11,500)	-	44,239
David Goodwin Legacy Fund	-	99,256	-	-	99,256
John Alan Cadisch Legacy Fund	-	88,123	-	-	88,123
Walter Edward Higgs Legacy Fund	-	34,500	-	-	34,500
Restoration Hub	-	7,500	-	-	7,500
Other Grants	3,614	11,024	(9,802)	2,661	7,497
<b>Total restricted funds</b>	<b>1,048,612</b>	<b>367,338</b>	<b>(97,744)</b>	<b>(3,302)</b>	<b>1,314,904</b>
<b>Unrestricted funds:</b>					
Funds held by Regions and Branches	154,934	29,166	(26,109)	(2,661)	155,330
Chelmer & Blackwater Number 2 Fund	63,904	-	-	-	63,904
Chelmer & Blackwater Number 3 Fund	50,000	-	(42,454)	-	7,546
Tony Harrison legacy	118	-	-	-	118
Waterways in Progress	100,000	-	(15,306)	-	84,694
Loan facility to EWL	-	-	-	100,000	100,000
Total designated funds	368,956	29,166	(83,869)	97,339	411,592
<b>Revaluation reserve</b>	<b>10,690</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,690</b>
<b>General funds</b>	<b>1,114,124</b>	<b>1,463,002</b>	<b>(1,561,867)</b>	<b>(94,037)</b>	<b>921,222</b>
<b>Total unrestricted funds</b>	<b>1,493,770</b>	<b>1,492,168</b>	<b>(1,645,736)</b>	<b>3,302</b>	<b>1,343,504</b>
<b>Total funds</b>	<b>2,542,382</b>	<b>1,859,506</b>	<b>(1,743,480)</b>	<b>-</b>	<b>2,658,408</b>

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

The Inland Waterways Association

Notes to the financial statements

For the year ended 31 December 2021

25b Movements in funds (prior year)

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

**Purposes of restricted funds**

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

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

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

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

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

The Waterway Recovery Group Fund comprises donations, bequests, grants and funds raised by supporters to further the work of the Waterway Recovery Group. Transfers from this fund to general funds in the year relate to expenditure that should have been made from the restricted fund in the prior year.

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

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

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

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

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

The Alison Spooner Legacy Fund was a bequest to be used towards the Restoration Fund for the Cotswold Canals.

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

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

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

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

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

Funding for the Essex Waterways City Boat was provided by One Chelmsford towards the purchase of a boat, and the set up of the River Boat Rides project in Chelmsford.

The South West Inland Waterways Regeneration Fund has been established to provide small grants for waterway regeneration in the South West.

The David Goodwin Legacy Fund is a bequest to be used for the purpose of restoration or maintenance of one or more specific canals or waterways.

The John Alan Cadisch Legacy Fund is a bequest to the Waterway Recovery Group to be used for canal restoration projects.

The Walter Edward Higgs Legacy Fund is a bequest to the Waterway Recovery Group.

**Purposes of designated funds**

Income raised and expenditure spent by regions and branches are designated against those regions and branches. Occasionally grants are received by branches for restricted purposes and these are transferred to restricted funds.

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

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

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

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

A loan facility to Essex Waterways Limited has been agreed by the Inland Waterways Association, in case of large investment expenditure requirements or to give the subsidiary certainty in testing times; to be provided under market conditions. The total potential balance of £100,000 was transferred from the parent's general funds into designated funds during the year.

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

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

	Land and buildings		Other	
	2021	2020	2021	2020
	£	£	£	£
Less than one year	35,000	35,000	4,112	4,112
One to five years	8,750	43,750	4,112	8,225
	<b>43,750</b>	<b>78,750</b>	<b>8,224</b>	<b>12,337</b>

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

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

	Property	
	2021	2020
	£	£
Less than one year	27,120	6,102
	<b>27,120</b>	<b>6,102</b>

**28 Capital commitments**

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

	2021	2020
	£	£
Waterway restoration and development projects	218,589	116,117
Branch and region waterway projects	20,269	32,435
Improvements to the Chelmer & Blackwater Navigation	71,225	1,694
Development of internal systems	5,243	11,435
Office contracts	18,220	40,308
Loans to canal societies	-	-
	<b>333,546</b>	<b>201,989</b>

**29 Post balance sheet events**

Despite the UK seeing its highest peak in Covid-19 virus cases and hospitalisations in January 2022, resulting from the introduction of the Omicron variant in late 2021, it and many other countries were able to relax restrictions on daily life that had been in place to limit spread of the virus early in 2022. Inflation rose sharply in the first half of 2022, initially influenced by rapid increases in the price of gas. On 24th February 2022, Russia invaded Ukraine, bringing a war to European soil, still ongoing at the time of signing these accounts, along with impacts to global food and fuel supply. The markets have been significantly disrupted and IWA's investment portfolio has suffered a large fall as a consequence, its value being £1,304,198 at 29th July 2022.

**30 Legal status of the charity**

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

**THE INLAND WATERWAYS ASSOCIATION**

England & Wales - Charity number 212342

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# Accounts

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Company number: 00612245

Charity number: 212342

# Inland Waterways Association

Report and financial statements

For the year ended 31 December 2020



**INLAND  
WATERWAYS**  
ASSOCIATION

# Inland Waterways Association

## Contents

### For the year ended 31 December 2020

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Reference and administrative information .....	1
Trustees' annual report .....	3
Independent auditor's report .....	39
Statement of financial activities (incorporating an income and expenditure account) .....	44
Balance sheet .....	45
Statement of cash flows .....	46
Notes to the financial statements .....	47

## Inland Waterways Association

### Reference and administrative information

For the year ended 31 December 2020

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Company number 00612245  
Country of incorporation United Kingdom

Charity number 212342  
Country of registration England & Wales

### Registered office and operational address

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

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

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

**Company Secretary** Neil Edwards (until October 2020)  
Genevieve Wilson (from October 2020)

## Inland Waterways Association

### Reference and administrative information

For the year ended 31 December 2020

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

## **Inland Waterways Association**

### **Trustees' annual report**

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

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

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

## **Who we are**

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

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

### **Protecting our inland waterways**

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

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

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

## Supported by a vibrant network of volunteers

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

IWA relies on the support of our members, donors and volunteers, as well as income from grant-making bodies and commercial activities, such as our IWA shop, to make our waterways better. Membership income covers just 37% of IWA's charitable expenditure, with a further 18% being covered by unrestricted gifts in wills in 2020. The association uses a diverse range of other income streams to fund the remainder.

## Welcome – Paul Rodgers

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

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

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

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

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

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

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

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

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

## Welcome – Phil Hornsey

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

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

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

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

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

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

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

## Our Year in Numbers

### Who we are



**11,387**

Members supporting our work through a regular subscription

**283**

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

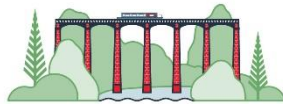
**33**

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

**19**

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

### Our work



**£91,960**

Waterways in Progress Grants awarded to canal restoration groups

**95**

Technical enquiries responded to from volunteers across the waterway restoration sector

**6**

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

**60**

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

**31**

Webinars on waterway related topics hosted during 2020

### Growing our charity



**15**

Volunteer Champions trained to support our webinar series

**12,000**

Video views on YouTube

**522,000**

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

**15k**

Email subscribers

**£161k**

Legacy income to support our campaigns

## Inland Waterways Association

### Trustees' annual report

For the year ended 31 December 2020

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**20**

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

**9**

Expert volunteers recruited to create a vision for sustainable propulsion

**1**

Additional member of staff recruited to support our heritage campaign

## Objectives and activities

### Purposes and aims

#### VISION

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

#### MISSION

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

#### VALUES

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

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

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

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

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

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

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

### Strategic direction

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

#### Key Areas of our Work

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

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

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

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

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

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

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

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

## Statement of Public Benefit

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

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

## Achievements and performance

### 2020 in Summary

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

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

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

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

## Responding to Covid-19

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

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

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

### Our programme of events

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

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

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

### Guidance & support for sector volunteers

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

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

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

## What we achieved in 2020:

### Sustainable Waterways

While diesel and petrol engine boats contribute a tiny amount of overall emissions in the UK, as other areas move to alternative methods it will become an increasingly greater proportion of total emissions. Our new advisory sub-group to our national Navigation Committee established in 2019 is leading the way on new technologies. IWA published its Vision for Sustainable Boating in 2020, outlining initiatives to ensure boats on the inland waterways don't get left behind in the country's progress towards net zero emissions by 2050. Proposals include:

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

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

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

### Protecting Waterways Heritage

Formed in 2019, one of the first tasks for our Heritage Advisory Panel was to define waterways heritage. Part one of our Heritage Report launched in 2020 described the importance of the buildings, engineering structures, working mechanisms, artefacts, boats, people, skills and culture that make our waterways so special. The report focused on the need for better protection of waterways heritage assets and calls on navigation authorities, councils, planning authorities, developers and builders to consider heritage in any future development plans. Due to launch in 2021 is part two, which will draw out case study examples of heritage at risk, heritage saved, and heritage lost. The reports are funded by Historic England National Capacity Building grant monies. The case studies will demonstrate to key players in property development, planning authority roles and waterway management positions just how special our waterways heritage is, how easily it could be lost and how essential it is to protect.

## **Protecting the waterways environment**

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

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

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

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

There are more than 40 active waterway restoration groups across the country who between them are bringing over 500 miles of waterway back to life. We support and champion their work, sharing resources, materials and expert advice to these groups, as well as providing practical hands-on support. We are also exploring the feasibility of building a new waterway in the East of England, the Boston to Peterborough Wetland Corridor.

## What we achieved in 2020:

### Guidance & training for restoration projects

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

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

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

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

### Waterway Regeneration

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

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

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

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

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

## A new waterway

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

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

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

## What we achieved in 2020:

### Covid-19 & using the waterways

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

### Increasing visitors to lesser travelled waterways

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

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

### Engaging new audiences through new digital platforms

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

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

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

We have also been working on the development of a new database which brings together our Waterway Recovery Group restoration volunteers, our Essex Waterways customers and our IWA members, volunteers and supporters. The database is due to launch during 2021.

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

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

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

### **Lobbying government on key issues**

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

### **Advocacy in government**

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

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

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

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

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

## Year of the Volunteer

Our volunteers are the lifeblood of our charity.

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

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

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

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

We know there is real strength in partnerships, and we will look to forge new relationships at a national level which can be then deepened at a local level to reinforce IWA's role as lynchpin in the local waterways communities our branches serve.

## A thank you to all IWA supporters

We could not exist without the generosity of all our supporters who contribute to our progress in a huge variety of ways. While many people support us through membership subscriptions or donations, others contribute their time through volunteering giving their energy, passion and skills, working to champion, protect and restore our waterways. Activities range from detailed committee work to organising festivals and major events, and from physical restoration work on derelict canals to fundraising activities. We want to record our heartfelt thanks for the unfailing support of waterway groups, corporate members and other bodies as well as members and other individuals who have substantially supported the work of the Association and our subsidiary company, Essex Waterways Ltd.

## Volunteer awards

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

### Cyril Styring Trophy

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

### John Heap Salver

The Salver is awarded to an IWA member who, in the opinion of the trustees, has made an outstanding contribution to raising funds for the Association. John Brice of IWA Chiltern Branch was this year's deserving recipient, having been involved with his branch for at least 25 years and raised over £50,000 during this time.

### Richard Bird Medals

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

### IWA's Branch Achievement Award

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

### Christopher Power Prize

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

## Plans for 2021

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

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

Our vision and mission remain unchanged, with an enduring focus on being a powerful champion of inland waterway causes, to protect and expand our waterways for the millions of people who enjoy and benefit from using them. We will act to ensure this remains at the centre of everything we do, whilst we respond to what is going on around us.

This means we will:

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

## **Inland Waterways Association**

### **Trustees' annual report**

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

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

## Financial review

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

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

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

## Principal funding sources

The Association's principal funding sources for 2020 were:

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

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

## Legacies

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

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

## Inland Waterways Association

### Trustees' annual report

#### For the year ended 31 December 2020

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

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

## Fundraising

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

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

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

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

Our website outlines our complaints policy for the public and clearly explains how an individual can complain. We received no complaints in the 2020 financial year.

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

## Grants

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

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

## Investment performance

The Association's investments showed a net gain of £31,057 during the year, from a portfolio value of £1,489,025 at 31 December 2020 and £1,431,559 at 31 December 2019. The Association's Investments were managed by Quilter Cheviot during the year. A full list of the investments held is provided to members of the Investment Working Group (which reports to Finance Committee) every three months. The value of listed investments was £1,409,842 at 31 December 2020 and £1,381,933 at 31 December 2019 (see financial statements note 16). Investment income amounted to £35,832 (2019: £36,868). The portfolio is judged against an agreed benchmark and given the current market volatility the trustees were satisfied with the performance during the year. The Investment Working Group meets with the investment managers at least twice a year and will continue to closely monitor the performance against the benchmark for the forthcoming year.

## Key policies

### Investment policy

#### 1. Introduction

The overall financial objective is:

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

#### 2. Investment objective is

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

#### 3. Risk

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

#### 4. Liquidity

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

#### 5. Time Horizon

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

#### 6. Ethical Policy

- Invested in line with the Association aims.

#### 7. Management, Reporting and Monitoring

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

8. Approval and Review

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

## Principal risks and uncertainties

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

The key potential risks identified are:

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

Attention has also been focussed on non-financial risks arising from the health and safety of the general public, volunteers and employees, safeguarding and equal opportunities. These risks are managed by (a) ensuring that training and competence requirements are up to date and in place,

(b) by the provision of written guidance, (c) ensuring that extensive health and safety information is publicly available, and (d) by site specific risk assessments undertaken for all activities.

The outbreak of Covid-19 and consequent lock down has affected virtually every facet of life, and the Association has not escaped this. IWA swiftly reacted to the new situation, with staff and volunteers alike settling into new patterns of working smoothly. In many ways, the Association was fortunate in having tried and tested procedures for home working and using technology for new ways of doing things. Part of this 'good fortune' was down to the Association having reviewed risks and taken mitigating actions, for example in planning for the foreseeable situation where our Chesham office might suddenly be taken out of action.

## Reserves policy and going concern

### Reserves policy

The Association's unrestricted funds comprise the following:

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

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

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

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

## Inland Waterways Association

### Trustees' annual report

#### For the year ended 31 December 2020

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arises and irrespective of any financial or operational difficulty the Association may be experiencing at the time.

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

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

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

### Going concern statement

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

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

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

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

## **Inland Waterways Association**

### **Trustees' annual report**

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

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

## Structure, governance and management

### Organisation

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

There are four principal committees of the Board of Trustees:

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

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

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

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

### Trustee remuneration and insurance

No trustee received any remuneration in respect of services to the Association, other than reimbursement of expenses incurred in providing such services. A premium in respect of trustee indemnity insurance for members of the trustee board of £1,429 including Insurance Premium Tax was paid during the year (2019: £1,429).

### Principal appointed officers

National Chairman: Paul Rodgers

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

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

## Inland Waterways Association

### Trustees' annual report

#### For the year ended 31 December 2020

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

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

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

### Remuneration policy for key management personnel

A Remuneration Committee, comprising the chairman of Finance Committee, the national chairman and two other members appointed annually by trustees, reviews the remuneration of senior employees. The remuneration package for the chief executive and other senior staff, is based on recommendations provided to the committee by the chief executive, or the national chairman in respect of the chief executive, and takes into consideration current market conditions for the functions and performance of the relevant employees. Due to changes in personnel and an ongoing organisation-wide review of committees around the year end, Remuneration Committee did not meet in the reporting period, but the review of 2021 salaries was carried out and approved by the Board.

### Governing documents

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

## Related parties and relationships with other organisations

The Inland Waterways Association has three subsidiary companies:

- Essex Waterways Limited, which began trading in November 2005, looks after the Chelmer & Blackwater Navigation. The Company enjoys the support of Chelmsford City Council, Essex County Council, Northumbrian Water and Maldon District Council. It is a member of the Association of Inland Navigation Authorities.
- Inland Waterways Enterprises Limited began trading in August 2017 to undertake certain commercial activities to support IWA. It was dormant in 2020.
- Waterway Recovery Group Ltd is dormant.

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

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

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

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

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

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

## Appointment of trustees

From 2020, the trustee recruitment process is carried out by a panel, and based on a skills audit. The panel's 2021 recommendations will be put to the AGM for approval by the membership. Terms of office are usually for three years with a maximum of four consecutive terms before a three-year break must be taken. The appointment of trustees is staggered over a three-year period. All trustees are members of the Association. No trustee appointments are made by outside bodies.

## **Trustee induction and training**

New trustees are provided with a list of documents for recommended study and, in normal circumstances, invited to attend induction days where they are given introductions to the activities of each team, as well as time speaking directly with the staff at Chesham office. In 2020, because of the Covid pandemic, new trustees attended a number of virtual meetings with different departments, to meet staff and learn about IWA. New trustees are also provided with informal guidance from existing trustees.

## Statement of responsibilities of the trustees

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

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

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

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

In so far as the trustees are aware:

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

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

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

## **Auditor**

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

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

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



Paul Rodgers  
National Chair

## Independent auditor's report

To the members of

Inland Waterways Association

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### Opinion

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

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

## Independent auditor's report

To the members of

Inland Waterways Association

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### Other Information

The other information comprises the information included in the trustees' annual report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information, and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

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

## Independent auditor's report

To the members of

Inland Waterways Association

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### Responsibilities of trustees

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

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

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

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

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

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

### Capability of the audit in detecting irregularities

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

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

## Independent auditor's report

To the members of

### Inland Waterways Association

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

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

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

## Independent auditor's report

To the members of

Inland Waterways Association

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### Use of our report

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

*Sayer Vincent LLP*

Judith Miller (Senior statutory auditor)

17 September 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor

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

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

Inland Waterways Association

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

For the year ended 31 December 2020

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

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

As at 31 December 2020

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

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


Paul Rodgers  
National Chair

John Butler  
National Treasurer

Inland Waterways Association

Statement of cash flows

For the year ended 31 December 2020

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

**1 Accounting policies**

**a) Statutory information**

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

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

**b) Basis of preparation**

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

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

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

**c) Public benefit entity**

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

**d) Going concern**

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

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

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

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

**1 Accounting policies (continued)**

**e) Income**

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

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

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

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

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

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

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

**g) Interest receivable**

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

**h) Fund accounting**

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

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

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

**1 Accounting policies (continued)**

**i) Expenditure and irrecoverable VAT**

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

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of campaigning and restoration activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

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

**j) Grants payable**

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

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

**k) Allocation of support costs**

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

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

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

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

**l) Operating leases**

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

**m) Intangible fixed assets**

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

- |               |         |
|---------------|---------|
| ● IT software | 3 years |
| ● Website     | 4 years |

**1 Accounting policies (continued)**

**n) Tangible fixed assets**

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

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

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

● Computer equipment	3 to 4 years
● Plant and equipment	3 to 10 years
● Motor vehicles	4 years
● Trip boats	20 years
● Buildings and leasehold improvements	10 years

**o) Investment properties**

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

**p) Listed investments**

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

**q) Investments in subsidiaries**

Investments in subsidiaries are at cost.

**r) Stocks**

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

**s) Debtors**

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

**t) Short term deposits**

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

# Inland Waterways Association

## Notes to the financial statements

### For the year ended 31 December 2020

#### 1 Accounting policies (continued)

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

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

##### v) Creditors and provisions

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

##### w) Financial instruments

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

#### 2 Income from donations and legacies

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

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

#### 3 Income from charitable activities

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

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

Inland Waterways Association

Notes to the financial statements

For the year ended 31 December 2020

4 Income from other trading activities

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

5 Income from investments

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

All income from investments is unrestricted.

Inland Waterways Association

Notes to the financial statements

For the year ended 31 December 2020

6a Analysis of expenditure (current year)

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

Inland Waterways Association

Notes to the financial statements

For the year ended 31 December 2020

6b Analysis of expenditure (prior year)

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

Notes to the financial statements

For the year ended 31 December 2020

7a Grant making (current year)

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

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

7b Grant making (prior year)

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

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

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

8 Net income / (expenditure) for the year

This is stated after charging / (crediting):

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

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

Staff costs were as follows:

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

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

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

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

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

**10 Staff numbers**

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

**11 Related party transactions**

During the year the group purchased goods (net of VAT) totalling £4,262 (2019: £9,854) from Chandler Material Supplies Limited, a company controlled by family members related to Roy Chandler, a director of Essex Waterways Limited. The balance due to Chandler Material Supplies Limited as at 31 December 2020 was £61 (2019: £nil). All transactions were undertaken on a commercial arm's length basis.

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

**12 Taxation**

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

## 13 Intangible fixed assets

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

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

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

## 14 Tangible fixed assets

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

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

Notes to the financial statements

For the year ended 31 December 2020

15 Investment properties

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

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

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

16 Investments

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

Investments comprise:

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

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

**Name**

Wholly owned subsidiaries of the charity:  
 Essex Waterways Limited  
 Inland Waterways Enterprises Ltd  
 Waterway Recovery Group Ltd

**Business activity**

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

**17 Subsidiary undertaking**

The Charity owns the whole of the issued ordinary share capital of Inland Waterways Enterprises Limited, company number 10382346 and Essex Waterways Limited, company number 05545459. Each company is registered in England and details of their activities are given in note 16.

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

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

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

**18 Parent charity**

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

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

**19 Stock**

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

**20 Debtors**

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

## Notes to the financial statements

For the year ended 31 December 2020

## 21 Creditors: amounts falling due within one year

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

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

## 22 Deferred income (group)

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

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

## 23 Creditors: amounts falling due after one year

## Life Membership &amp; Victoria Loan account

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

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

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

2026	£841
2027	£566
2028	£285
2029	£173
2030	£47

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

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

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

Analysis of net assets between funds (current year)

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

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

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

Analysis of net assets between funds (prior year)

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

## 25a Movements in funds (current year)

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

## Notes to the financial statements

For the year ended 31 December 2020

## Movements in funds (current year)

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

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

## 25b Movements in funds (prior year)

Group	Restated at 1 January 2019 £	Income & gains £	Expenditure & losses £	Transfers £	Restated at 31 December 2019 £
<b>Restricted funds:</b>					
Charles Hadfield Fund	5,856	-	-	-	5,856
Lancashire Canals Fund	96	-	-	-	96
The Christopher Power Award Fund	7,385	-	(1,000)	-	6,385
The New Power Family Award Fund	23,603	-	-	-	23,603
Research & Studies Fund	5,923	-	-	-	5,923
Waterway Recovery Group Fund	157,625	28,518	(38,145)	-	147,998
Frederick Woodman Fund	3	-	-	-	3
J Faulkner Fund	50,468	-	(18,529)	-	31,939
National Restoration Appeal Fund	-	500	(13,805)	13,305	-
Keith Ayling Legacy Fund	257	1,875	(2,000)	-	132
Averil Dobson Legacy Fund	-	306,612	-	-	306,612
Mary Jackson Legacy Boat House Fund	-	313,000	-	-	313,000
Alison Spooner Legacy Fund	-	146,040	-	-	146,040
Historic England Fund	-	98,825	(94,603)	-	4,222
Heritage Lottery Fund	-	14,900	(12,555)	-	2,345
Essex Waterways Ltd Trip Boat Grant	25,712	-	(1,286)	-	24,426
Other Grants	10,297	9,689	(16,744)	-	3,242
<b>Total restricted funds</b>	<b>287,225</b>	<b>919,959</b>	<b>(198,667)</b>	<b>13,305</b>	<b>1,021,822</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Funds held by Regions and Branches	173,382	54,870	(65,698)	-	162,554
Chelmer & Blackwater Number 2 Fund	63,904	-	-	-	63,904
Tony Harrison legacy	70,118	-	-	-	70,118
Elsie May Watson legacy	9,549	-	-	(9,549)	-
Total designated funds	316,953	54,870	(65,698)	(9,549)	296,576
Revaluation reserve	-	10,690	-	-	10,690
<b>General funds</b>	<b>1,564,954</b>	<b>1,421,774</b>	<b>(1,487,458)</b>	<b>(3,756)</b>	<b>1,495,514</b>
<b>Total unrestricted funds</b>	<b>1,881,907</b>	<b>1,487,334</b>	<b>(1,553,156)</b>	<b>(13,305)</b>	<b>1,802,780</b>
<b>Total funds</b>	<b>2,169,132</b>	<b>2,407,293</b>	<b>(1,751,823)</b>	<b>-</b>	<b>2,824,602</b>

## Movements in funds (prior year)

	Restated at 1 January 2019 £	Income & gains £	Expenditure & losses £	Transfers £	Restated at 31 December 2019 £
<b>Charity</b>					
<b>Restricted funds:</b>					
Charles Hadfield Fund	5,856	-	-	-	5,856
Lancashire Canals Fund	96	-	-	-	96
The Christopher Power Award Fund	7,385	-	(1,000)	-	6,385
The New Power Family Award Fund	23,603	-	-	-	23,603
Research & Studies Fund	5,923	-	-	-	5,923
Waterway Recovery Group Fund	157,625	28,518	(38,145)	-	147,998
Frederick Woodman Fund	3	-	-	-	3
J Faulkner Fund	50,468	-	(18,529)	-	31,939
National Restoration Appeal Fund	-	500	(13,805)	13,305	-
Keith Ayling Legacy Fund	257	1,875	(2,000)	-	132
Averil Dobson Legacy Fund	-	306,612	-	-	306,612
Mary Jackson Legacy Boat House Fund	-	313,000	-	-	313,000
Alison Spooner Legacy Fund	-	146,040	-	-	146,040
Historic England Fund	-	98,825	(94,603)	-	4,222
Heritage Lottery Fund	-	14,900	(12,555)	-	2,345
Other Grants	1,227	8,500	(8,511)	-	1,216
<b>Total restricted funds</b>	<b>252,443</b>	<b>918,770</b>	<b>(189,148)</b>	<b>13,305</b>	<b>995,370</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Funds held by Regions and Branches	173,382	54,870	(65,698)	-	162,554
Chelmer & Blackwater Number 2 Fund	63,904	-	-	-	63,904
Tony Harrison legacy	70,118	-	-	-	70,118
Elsie May Watson legacy	9,549	-	-	(9,549)	-
Total designated funds	316,953	54,870	(65,698)	(9,549)	296,576
<b>General funds</b>	<b>1,420,002</b>	<b>835,140</b>	<b>(924,311)</b>	<b>(3,756)</b>	<b>1,327,075</b>
<b>Total unrestricted funds</b>	<b>1,736,955</b>	<b>890,010</b>	<b>(990,009)</b>	<b>(13,305)</b>	<b>1,623,651</b>
<b>Total funds</b>	<b>1,989,398</b>	<b>1,808,780</b>	<b>(1,179,157)</b>	<b>-</b>	<b>2,619,021</b>

**Purposes of restricted funds**

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

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

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

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

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

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

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

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

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

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

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

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

The Alison Spooner Legacy Fund was a bequest to be used towards the Restoration Fund for the Cotswold Canals.

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

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

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

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

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

**Purposes of designated funds**

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

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

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

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

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

Notes to the financial statements

For the year ended 31 December 2020

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

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

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

**27 Operating lease commitments receivable as a lessor**

Amounts receivable under non-cancellable operating leases are as follows for each of the following periods

	Property	
	2020 £	2019 £
Less than one year	6,102	-
	<b>6,102</b>	<b>-</b>

**28 Capital commitments**

At the balance sheet date, the charity had committed to:

	2020 £	2019 £
Waterway restoration and development projects	116,117	104,932
Branch and region waterway projects	32,435	26,994
Improvements to the Chelmer & Blackwater Navigation	1,694	23,250
Development of internal systems	11,435	31,278
Office contracts	40,308	62,230
Loans to canal societies	-	25,000
	<b>201,989</b>	<b>273,684</b>

## 29 Prior period adjustment

## Group

	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Reserves position	31 December 2019			1 January 2019		
	£	£	£	£	£	£
Funds previously reported	1,738,876	1,085,726	2,824,602	1,818,003	351,129	2,169,132
<b>Adjustments on restatement</b>						
Reallocation of Chelmer & Blackwater Number 2 Fund from restricted funds to designated funds	63,904	(63,904)	-	63,904	(63,904)	-
<b>Funds restated</b>	<b>1,802,780</b>	<b>1,021,822</b>	<b>2,824,602</b>	<b>1,881,907</b>	<b>287,225</b>	<b>2,169,132</b>

	Unrestricted	Restricted	Total
Impact on income and expenditure	31 December 2019		
	£	£	£
Net income / (expenditure) as previously reported	-	-	-
Adjustments on restatement	-	-	-
<b>Net income / (expenditure) as restated</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Charity

	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Reserves position	31 December 2019			1 January 2019		
	£	£	£	£	£	£
Funds previously reported	1,559,747	1,059,274	2,619,021	1,673,051	316,347	1,989,398
<b>Adjustments on restatement</b>						
Reallocation of Chelmer & Blackwater Number 2 Fund from restricted funds to designated funds	63,904	(63,904)	-	63,904	(63,904)	-
<b>Funds restated</b>	<b>1,623,651</b>	<b>995,370</b>	<b>2,619,021</b>	<b>1,736,955</b>	<b>252,443</b>	<b>1,989,398</b>

	Unrestricted	Restricted	Total
Impact on income and expenditure	31 December 2019		
	£	£	£
Net income / (expenditure) as previously reported	-	-	-
Adjustments on restatement	-	-	-
<b>Net income / (expenditure) as restated</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Details of adjustments

Reallocation of Chelmer & Blackwater Number 2 Fund from restricted funds to designated funds

Donations from the subsidiary, Essex Waterways Ltd, to its parent, IWA, for the purposes of future maintenance work of the Chelmer & Blackwater Navigation, the waterway managed by Essex Waterways Ltd, had previously been put into a restricted fund. They should have been received as unrestricted funds and designated for their purposes on receipt by IWA. Therefore this prior year adjustment corrects their allocation from restricted funds into designated funds.

**30 Post balance sheet events**

Severe restrictions on daily life, made necessary by the Covid-19 pandemic and re-imposed during the Christmas season, have been in place for the first quarter of 2021. Spring is seeing their gradual, staged lifting and so the restarting of some group activities. Generally, there is a more positive outlook in the UK with regards to the future impact of the virus, fuelled by a successful vaccination programme, though maintained vigilance for new developments in the virus.

IWA and Essex Waterways Ltd continue to monitor government guidelines carefully and run operations accordingly. Careful planning is going into the resuming of Covid-safe restoration camp activity, but unfortunately the May Canalway Cavalcade festival had to be cancelled for a second year, this year replaced by an online event.

**31 Legal status of the charity**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.