

AVON NAVIGATION TRUST
(A COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Registered Number:

00857695

England & Wales

Charity No: 244951

BOWKER, STEVENS & CO

Chartered Accountants

Halesowen, West Midlands

AVON NAVIGATION TRUST

1

CHAIRMAN'S REPORT 2020

As I put pen to paper for this report, we are planning for the return of our AGM in its normal format after the inability to hold a public meeting last year during lockdown. We look forward to being able to welcome back members.

After an exceptionally prolonged emergency response and challenging period for the Trust, it is a delight to see boating activity return on the river and with it the vibrancy that river users bring to the River Avon.

I want to acknowledge the challenge that our commercial operators on the navigation have experienced and it is important that economic activity returns to the river and provides opportunities for leisure boating and other activities.

With the strong market for 'staycations' this year, the Avon navigation has been a popular destination. What is less visible has been the effort of the staff team during 2020 and 2021, working in abnormal and often restrictive conditions due to the demands of ever-changing COVID safety measures. Getting the river ready for our licence holders in advance of the boating season has been a logistical challenge which our Chief Executive, Clive Matthews, has embraced with his usual efficiency and pragmatism. I believe that this is an appropriate opportunity to thank Clive and his team for their dedication and commitment to the operation of the Trust in this unprecedented situation over the last 20 months or so.

The suspension of volunteering activity has been a great regret for all the Directors of the Trust. However, it has been an inevitable consequence of ensuring COVID safety and not breaching any government legislative requirements during the lockdowns. The Trust wishes to have a thriving and committed volunteering base and we look forward to the return of full volunteering activity in 2022, for which Council will be planning well in advance. Thank you to all our volunteers for your commitment to the Trust, patience and understanding.

It has been necessary over the last year or so to put in place a streamlined governance system and my thanks go to our Finance Director, Michael Hodges, our Legal Director, David Greer and our Chief Executive, Clive Matthews for joining with me as the core of the decision making in the emergency response and recovery mode for the Trust during this COVID conflict. One of the key priorities has been to ensure a robust and sustainable financial position in what has been a highly uncertain outlook. The Trust has made use of the furlough scheme from government for which we are very grateful. It is, however, a regret that we have had to make a small number of redundancies. My thanks go to the staff that have left us and our thanks for all you have done for the Trust.

It has been a very sad period for the Trustees as we lost two of our highly respected and valued members who passed away. Nic Farr and Phil Wood will be very much missed by all of us. They not only had the skills and dedication that makes great trustees but, more importantly, they were both engaging and amiable friends. Our thoughts remain with their families.

I am keen that the Trust remains a highly respected and financially sustainable independent navigation authority and the agility of the Trust to react to the challenges of COVID has been heartening and demonstrated our strength, resilience and self-sufficiency. I welcome the planned return to normality as the Trust tackles the inevitable challenges in a post-COVID era.



JACK HEGARTY
Chairman

15 September 2021

Chief Executive Officer's Report 2020 Accounts**Overview**

As for all organisations, 2020 proved to be an unprecedentedly difficult year to manage the Trust through the COVID-19 conflict.

We started the year in the middle of the longest period of flooding on record with the river not becoming navigable until 17 March 2020. We went into flood on 26 September 2019 and other than for a few days, the river remained in flood for six months. In that period, we had three major events, one of which was the third highest flood on record. This duration of flooding is unprecedented and obviously hit our short-term licence income hard as well as stopping us doing any of our major winter works. I am pleased to report that our river watch, flood alert and email alert systems worked well, and our on-call teams worked alongside the other tier-two agencies to manage all the incidents that arose from these events. In this period, ANT was formally recognised as a tier-two response organisation and joined the local Tactical Coordination Groups working alongside the Police, Fire & Rescue, Local Councils, Environment Agency, MOD, Paramedics etc..

This duration of flooding left the navigation with numerous major issues when the floods subsided on 17 March 2020 just as we entered a pandemic and lockdown on 23 March 2020.

More than ever, with the uncertainties of the pandemic, the challenge in 2020 was to manage our resources to be able to maintain the navigation as well as continuing to earn income for the Trust from contract work. Even with the flooding issues and the curve ball of the pandemic, I am pleased to report that we achieved this and successfully delivered some major commercial contracts, relieving the uncertainty of our funding.

As you would expect due to the lockdowns, the total number of short-term licences sold were 24% down compared to the previous year which was obviously linked to the issues of flooding and the pandemic. Reassuringly, even with the effect of the pandemic, we saw that the number of annual licences only dropped by 3.5% on the previous year. This followed five years in which we had seen an increase in the number of annual licences. Boat movements, as measured by the number of boats through Avon Lock, dropped by 48%. Obviously, up until the government allowed normal boating to resume on 4 July 2020, boat traffic was negligible. However, after that date, we saw a busier river than we have seen in many years with some months recording unprecedented high activity.

Managing through the Pandemic

ANT was better placed to cope with the effects of the pandemic than many other organisations and was able to adapt quite quickly. We have in place a very robust Emergency Plan that is regularly used in times of flood. We have all the IT and communication systems set up so we can seamlessly run the Trust from satellite offices during flooding when the office is unreachable. We also have a detailed Risk Register and Business Continuity Plan required as a charity and as a navigation authority. Both of these plans were initiated the week before the official government lockdown so that when the lockdown came on 23 March, we were ready to run the navigation through the conflict. The effects on the business of the pandemic are actually not dissimilar to prolonged severe flooding!

As the Trust is responsible for national infrastructure and is a tier two emergency response organisation, we were allowed to continue working as long as we had in place the relevant COVID-19 secure protocols. Unfortunately, we had to stand down over half of our team and all unsupervised volunteering due to the risks from the virus, so we ended up with a very small team of staff and one volunteer to battle through the first lockdown. At this point we had a long list of major problems following the six-month flooding, with two gate failures, three locks impassable, a number of blocked bridges and debris, and silting up at numerous locations. The other problem was that many of our contractors and suppliers stood down for the first lockdown. ANT's long-standing policy to be self-reliant and self-sufficient therefore proved invaluable during this period. We had all the plant and spare materials to enable us to continue working and, even though we had to make changes to our engineering solutions and methods to work within our own capabilities, we were still able to do all the necessary works required to get the navigation open for when boating was allowed by government.

Our new website was also an invaluable tool. The new site was due to go live in May 2020, so when the lockdown hit, Adrian Main worked quickly and tirelessly to launch this early in April. This then gave us an online tool for boaters to buy both annual and short-term licences as well as giving us the means to communicate to boaters the different guidance and government laws, including how they affected the navigation and its use. We were also able to work with our mooring and marina operators to set up a page to inform boaters of the controls that they had in place. In total we issued fifteen COVID-19 communications through the pandemic using our dedicated COVID-19 web page and bulk email and SMS system.

Managing through the Pandemic (continued)

Once normal navigation was allowed to start on 4 July 2020, we worked hard to keep the navigation open. We restarted unsupervised volunteering under special health and safety measures covering volunteer lock maintenance, volunteer mooring maintenance and volunteer lock keeping. This enabled us to be one of the first organisations to restart volunteering utilising the website to put in the relevant health and safety controls required to work in a COVID-19 world. Due to the need to shield, the lock keeper at Tewksbury had to remain stood down, so a dedicated hardworking team of volunteers operated the lock for the rest of the season, ensuring that we provided a normal level of service to boaters.

With the likely hit to our core licence income, focusing on raising money from commercial works became very important. We worked very hard to win contracts with the Environment Agency, county councils and Network Rail. I am very pleased to report that we achieved this and managed to successfully deliver these projects in the year, boosting our funds and more than compensating for the negative effects of the pandemic on our licence income.

As the summer progressed, it was clear that the future would remain very uncertain, probably for some years to come. We therefore developed an emergency two-year strategy to ensure ANT would ride out the storm of the uncertain future. Effectively, this strategy was to batten down the hatches, limit our focus to our core objectives, reduce cost and maximise income. Sadly, this led to a restructure of the staff with five jobs being made redundant and three employees leaving us in the Autumn. We record our thanks to these individuals for their hard work and commitment to the Trust and wish them well for their futures.

The most important thing to report is that with strong COVID-19 controls in place, not a single member of staff caught the virus and we maintained a robust COVID-19 secure environment, thus protecting our staff, volunteers and users.

Financial Results

I am pleased to report that our total income of £960k was the highest in the Trust's history (save for the year of amalgamation with LANT), as was our net income of £295k. This meant that our net current assets rose to £462k, which was in line with the two-year strategy to protect the Trust from a potential two-year period of financial uncertainty. This income was achieved by the successful delivery of several major commercial contracts in the year, despite the floods and pandemic.

Administration of the Trust

As was the case generally in the UK, none of the festivals were held in 2020. However, we are hopeful that these will all take place in 2022.

Annual licence prices for 2020 were increased in line with inflation. However, to try and support our boaters and commercial operators, we froze our licence fees for 2021 and extended the discount period by two months to the end of April 2021.

The Trust continued to engage Lynne Powell of Crucial PR. Lynne writes our press releases and helps with the publication of the 'Bulletin' and 'Boaters News', named 'Avon Boaters Gateway'. This professional support significantly improves the level of publicity that the Trust achieves and significantly raises the Trust's profile.

As reported earlier, we launched our new website in April 2020, which included the facility to buy licences online. This big project was led by Adrian Main, Alex Mellor, the late Phil Wood and me.

Limited volunteering started up after the first lockdown in July under special measures, and continued through 2020 and 2021. The plan is to properly restart all volunteering activities in 2022, post-pandemic, taking the opportunity to review how we run volunteering and how better to harness the incredible enthusiasm and hard work of our supporters.

The Trust continues to be proud to work closely with the Maritime Volunteer Service Severn Unit (MVS) based in Tewksbury as a key partner helping us deliver numerous projects.

Sadly, we lost Nick Farr, our Volunteer Recruitment Director, who passed away in August 2020, and then Philip Wood, our PR and Communications Director passed away in April 2021, both not COVID-related. We record our appreciation for all their hard work and enthusiasm for the Trust and River, and we send our condolences and best wishes to their families. Their passing has created a big hole in the Trust and they will be remembered and missed for a long time to come.

River Maintenance and Contract Work

Through the first lockdown following the six months of flooding, the small team of staff and one volunteer allowed to work, slowly worked their way up-river, undertaking clearance, dredging and asset repair work, bringing the navigation to the point where it was navigable for when boating was allowed.

From 4 July 2020 our core volunteers maintained our lock and mooring sites as well as running Tewksbury Lock. Back in 2016 we installed lock huts, either floating or land based, at all the upper locks. This has then meant that the volunteer team of Reach Masters could store their mowers and equipment at each site and continue the day-to-day maintenance of the lock sites. This rollout of the LANT principle of volunteering continues to save a significant amount of annual expense by us not needing to hire in contractors to do the mowing. Even during the pandemic, each lock had a Reach Master team that proudly worked hard to keep their site smart.

During the year, I was successful in negotiating several contracts with the EA to cover clearance of various structures on the full river plus works to maintain, improve and replace a number of weir/sluice barriers. This meant that we were able to improve the safety and look of the navigation while at the same time earning important contract income for the Trust. The ability to win these contracts was because we had successfully demonstrated how professionally the Trust can work as a contractor to the EA, which led to me being able to negotiate a five-year partnership agreement securing ANT as the main framework contractor for clearance and maintenance on the river.

We were also successful in winning contracts to support the refurbishment of Pershore Great Bridge, Bidford Bridge for county councils and Evesham Railway Bridge for Network Rail.

Balancing the needs of the projects against still maintaining the navigation in a pandemic was a major challenge. The fact that we were able to professionally support every requirement of various clients, earning income for the Trust while looking after the navigation with a much-reduced team is testament to the dedication and professionalism of the ANT team of staff and volunteers.

We also carried out a number of small jobs for private individuals that also contributed to the Trust's revenue.

As usual, we conducted our normal dredging programme and ground works throughout the year and responded to breakdowns, as and when required.

Summary

In summary, it was probably one of the toughest and most unprecedented years ever. However, hard work and determination prevailed, and we actually delivered a very successful year. We managed to navigate the challenges of the pandemic, keeping everyone safe while carefully managing the resource needed to support the different projects together with opening and maintaining the navigation. We successfully achieved this difficult balancing act and went on to complete some important maintenance projects as well as increasing our reserves, ensuring the future success of the waterway. This world war and conflict against the virus tested our emergency planning, systems and the team. The outcome we achieved showed that we were more than up to the challenge, and we delivered another successful year.

I would like to record my sincere thanks to my staff, the volunteers, and all our directors for all their hard work and support, ensuring that we survived this unprecedented year, all of them stepping up to the plate. As some say, 'When the going gets tough, the tough get on with it'.



CLIVE MATTHEWS
Chief Executive Officer

15 September 2021

**REPORT OF THE TRUSTEES
for the year ended 31 December 2020**

The Trustees, who are also directors of the Charity for the purposes of the Companies Act 2006 and Charity Law, present their report with the financial statements of the Charity for the year ended 31 December 2020. The financial statements comply with the Charity's governing document, Charities Act 2011, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland published in October 2019. The Directors' Report, as required by company law, is included within the body of the Report of the Trustees.

Reference and Administrative Details

Registered No.00857695 (England and Wales) Registered Charity No. 244951

Registered Office and Principal Office: Mill Wharf, Mill Lane, Wyre Piddle, Pershore, Worcestershire, WR10 2JF

Trustees

The directors of the charitable company (the charity) are its Trustees for the purpose of charity law. The Trustees of the Company during the year and since the year-end were as follows:

J Hegarty (Chairman)
R A Borley
R Clay
P Clover
G M A Crane
P Cronin
N Farr (until 17 August 2020)
D C Greer
M J Hodges (Treasurer)
M H Lyons
B R Morgan
D Morgan
K V Welch
P M H Wood (until 29 April 2021)

The Chief Executive Officer is C Matthews

Company Secretary

A Main

Independent Examiners

Bowker, Stevens & Co
Chartered Accountants
Suite No.2, Centre Court
Vine Lane
Halesowen
West Midlands
B63 3EB

Solicitors

Thomson & Bancks LLP
37 High Street
Pershore
Worcestershire
WR10 1AH

AVON NAVIGATION TRUST

6

REPORT OF THE TRUSTEES **for the year ended 31 December 2020 (continued)**

Reference and Administrative Details

Bankers

Barclays Bank plc
1 Churchill Place
London
E14 5HP

CCLA Investment Management Limited
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Structure, Governance and Management

Governing Document

The Charity is controlled in accordance with its governing documents, the Memorandum and Articles of Association, and is a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and Appointment of New Trustees

The Council of Management, who constitute the Trustees, are appointed by the members of the company in general meeting. Any member may nominate any other member, who is willing to be elected, for election to the Council.

Organisational Structure

The powers and other constitutional matters are set out in the company's Memorandum and Articles of Association. It is governed by the Council of Management which is responsible for setting the strategic direction of the organisation and for establishing policy. The Council of Management meets regularly and delegates the day-to-day operation of the Navigation to the Chief Executive Officer and administration staff.

The Treasurer and the Chairman meet annually to consider the remuneration of the Chief Executive Officer. In order to do this, they refer to a report prepared annually by an external independent expert, which benchmarks remuneration and trends for similar roles across the sector.

Related Parties and Connected Charities

The Lower Avon Navigation Trust Limited (LANT), Registered Charity Number 203856, is a connected Charity by virtue of all of the Directors and Trustees being Directors and Trustees of both charities. The contact address for this charity is Mill Wharf, Mill Lane, Wyre Piddle, Pershore, Worcester, WR10 2JF. None of the Trustees receive remuneration or other benefit from their work with the charity.

Risk Management

It is the responsibility of the company to take all reasonable steps to ensure the safety of users, employees and voluntary workers at all locks, weirs, overnight moorings and other installations operated by the company.

The assets of the Charity are held for the administration, maintenance, improvement and development of the navigation of the River Avon.

Close co-operation and communication is maintained with the Trust's neighbouring navigation authorities, Canal and River Trust and the Environment Agency at all times.

The major risks, to which the Charity is exposed, as identified by the Council of Management, have been reviewed and systems have been established to mitigate these risks, including COVID-19 related risks.

**REPORT OF THE TRUSTEES
for the year ended 31 December 2020 (continued)**

Objectives and Activities and Public Benefit Statement

The company is principally engaged in the maintenance, improvement and regulation of the entire Avon Navigation. The main activities undertaken are provided in the Chief Executive Officer's Report on pages 2 to 4.

The Trustees have complied with their duty, in Section 4 of the Charities Act 2011, to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

Achievements and Performance and Plans for Future Periods

Details are provided in the Chairman's Report and Chief Executive Officer's Reports on pages 1 to 4.

Financial Review

The financial highlights for the year are as follows:

- Total income amounted to £959,995 (2019 - £766,651) and total expenditure amounted to £664,697 (2019 - £546,010), resulting in net income of £295,298 (2019 - £220,641). After taking account of the net movement on the investment and movements in the life members' subscription fund, total funds increased by £294,017 (2019 - £221,471) to £1,954,018 (2019 - £1,660,001). The Trustees consider these results to be excellent.
- The unrestricted funds at 31 December 2020, excluding the life members' subscription fund, totalled £1,900,900 (2019 - £1,605,818). After deducting fixed assets of £1,439,554 (2019 - £1,368,745) this left £461,346 (2019 - £237,073) available for future expenditure.
- Further details of funding sources and how expenditure has supported the Trust's objectives are given in the Chief Executive Officer's Report on pages 2 to 4.

Reserves Policy

A review has again been undertaken of the Trust's current operations and the reserves policy updated in the light of the current Trust operations, with reference to Charities Commission, document CC19 - 'Charity Reserves Building Resilience', and the uncertainty created by the COVID-19 pandemic. A more robust Reserves Policy has been put in place for 2021 and 2022 as part of the emergency two-year strategy.

The Trustees consider that minimum reserves need to be held to cover one of two eventualities or emergencies:

- 1 In the event the company has to be wound up because of unavoidable external changes, the Trustees estimate this would take three to six months and hence three to six months of core costs including redundancy costs need to be held. This amounts to an estimated £218,000
- 2 To cover a major breakdown such as a lock collapse or weir failure together with severe flooding (such as in 2007) and pandemic combined. In the case of a lock collapse, reserves would be required for rebuild costs and to cover potential loss of short term licence income while works were undertaken. In the case of severe flooding and pandemic, reserves would be required to cover a reduction of income for up to three years.
The Trustees estimate that the reserves required in the worst case would be £360,000.

The Trustees therefore consider a minimum reserve of £360,000 is adequate to cover one of the two of eventualities. They also note that ANT has assets of over £1 million including several properties that could be mortgaged if more emergency funds were required above the reserves of £360,000.

However, based on current steady state gap analysis as documented in the bi-monthly Engineering Report, a further £408,000 of works expenditure is required to achieve steady state. Therefore the Trustees consider that the upper limit on reserves should be £360,000 plus £408,000 = £768,000 in addition to restricted reserves. Hence the reserves policy for 2021 is to hold in unrestricted reserves a minimum of £360,000 and a maximum of £768,000, in addition to the restricted reserves (currently £51,000).

At 31 December 2020 the Trusts unrestricted funds stood at £1,903,450 (2019 - £1,608,538) of which £1,439,554 (2019 - £1,362,212) was tied up in property, equipment, boats and vehicles. This left £463,896 (2019 - £246,326) of available reserves. This is in line with the reserves policy.

AVON NAVIGATION TRUST

8

**REPORT OF THE TRUSTEES
for the year ended 31 December 2020 (continued)**

Investment Policy

It was noted that investments could be required to be accessed at short notice in the event of an eventuality as described in the reserves policy and agreed that fund access should reflect this potential need.

The Trustees seek to keep £5,000 in the M & G share account, a minimum of £180,000 in the COIF account and £175,000 in the current account, a total of £360,000 in line with the reserves policy. A second COIF account is available to hold restricted funds.

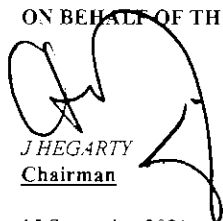
Statement of Trustees Responsibilities

Company law requires the Trustees to prepare financial statements for each financial period, which give a true and fair view of the state of the Trust and of the surplus or deficit of the Trust for that period. In preparing those financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepared the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

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

ON BEHALF OF THE BOARD:



J HEGARTY
Chairman

15 September 2021

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF AVON NAVIGATION TRUST
FOR THE YEAR ENDED 31 DECEMBER 2020**

9

I report to the charity Trustees on my examination of the financial statements of the company for the year ended 31 December 2020 which are set out on pages 10 to 21.

Responsibilities and Basis of Report

As the charity Trustees of the company (and also its Directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the financial statements of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's financial statements as carried out under Section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the directions given by the Charity Commission under Section 145(5)(b) of the 2011 Act.

Independent Examiner's Statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in Section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the company as required by Section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of Section 396 of the 2006 Act other than any requirement that the financial statements give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Paul Jackson F.C.A.
Bowker, Stevens & Co
Suite No.2, Centre Court
Vine Lane
Halesowen
West Midlands
B63 3EB

15/09/2021

STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account)
for the year ended 31 December 2020

	<u>Notes</u>	<u>Unrestricted Funds</u> <u>£</u>	<u>Restricted Funds</u> <u>£</u>	<u>2020 Total Funds</u> <u>£</u>	<u>2019 Total Funds</u> <u>£</u>
<u>Income</u>					
Donations, legacies and subscriptions	17	70,997	-	70,997	65,624
Investment income	17	563	-	563	1,215
<u>Income from charitable activities</u>					
Maintenance, improvement and regulation of the Avon Navigation	17	869,024	-	869,024	667,763
<u>Rent receivable and other income</u>	17	<u>19,411</u>	<u>-</u>	<u>19,411</u>	<u>32,049</u>
<u>Total Income</u>		<u>959,995</u>	<u>-</u>	<u>959,995</u>	<u>766,651</u>
<u>Expenditure</u>					
<u>Expenditure on Charitable Activities</u>					
Maintenance, improvement and regulation of the Avon Navigation	17	491,986	895	492,881	357,258
Support and governance costs	17	<u>171,816</u>	<u>-</u>	<u>171,816</u>	<u>188,752</u>
<u>Total expenditure</u>	17	<u>663,802</u>	<u>895</u>	<u>664,697</u>	<u>546,010</u>
<u>Net Income for the year</u>		296,193 (	895)	295,298	220,641
Unrealised (loss)/gain on investment	7	(1,111 )	- (	1,111)	905
Movement in life members subscription fund	12	(170 )	- (	170)	(75)
<u>Net Movement in funds for the year</u>		294,912 (	895)	294,017	221,471
<u>Reconciliation of funds</u>					
Total fund balances brought forward at 1 January 2020		<u>1,608,538</u>	<u>51,463</u>	<u>1,660,001</u>	<u>1,438,530</u>
<u>Total fund balances carried forward at 31 December 2020</u>		<u>1,903,450</u>	<u>50,568</u>	<u>1,954,018</u>	<u>1,660,001</u>

All income and expenditure derive from continuing activities.
The statement of financial activities includes all gains and losses recognised in the year.

BALANCE SHEET
as at 31 December 2020

		<u>2020</u>		<u>2019</u>	
	<u>Notes</u>	£	£	£	£
<u>Fixed Assets</u>					
Intangible assets	5	11,700		-	
Tangible assets	6	1,474,161		1,397,714	
Investments	7	5,691		6,533	
			1,491,552		1,404,247
<u>Current Assets</u>					
Stock		13,467		11,738	
Debtors	8	114,791		87,341	
Investments - short term deposits	9	167,272		156,978	
Cash at bank and in hand		417,149		115,051	
			712,679		371,108
<u>Liabilities</u>					
Creditors: amounts falling due within one year	10	250,213		115,354	
<u>Net Current Assets</u>			462,466		255,754
<u>Net Assets</u>			1,954,018		1,660,001
<u>The Funds of the Trust</u>					
Unrestricted funds including unrealised gains on investments	11	1,900,900		1,605,818	
Life members subscription fund	11	2,550		2,720	
Restricted funds	11	50,568		51,463	
<u>Total Trust Funds</u>			1,954,018		1,660,001

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

For the year to 31 December 2020, the company was entitled to exemption from audit under section 477 of the Companies Act 2006. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for ensuring that the Trust keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and for preparing financial statements which give a true and fair view of the state of affairs of the Trust as at the end of the financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements so far as applicable to the Trust.

The financial statements were approved by the Board of Trustees on 15 September 2021 and were signed on its behalf by:

J Hegarty

M Hodges

Trustees

STATEMENT OF CASH FLOWS
for the year to 31 December 2020

			<u>2020</u>		<u>2019</u>
			£	£	£
	<u>Notes</u>				
<u>Net cash flow from operating activities</u>	14		453,006		221,302
<u>Cash flow from investing activities</u>					
Payments to acquire intangible fixed assets		(14,625)	-		
Payments to acquire tangible fixed assets		(126,283)	(357,656)		
Payments to acquire investments		(269)	(316)		
Interest received		294	899		
Dividends received		269	316		
<u>Net cash flow from investing activities</u>			(140,614)		(356,757)
<u>Net cash flow from financing activities</u>			-		-
<u>Net increase/(decrease) in cash and cash equivalents</u>			312,392		(135,455)
<u>Cash and cash equivalents at 31 December 2019</u>			272,029		407,484
<u>Cash and cash equivalents at 31 December 2020</u>			584,421		272,029
<u>Cash and cash equivalents consists of</u>					
Cash at bank and in hand			417,149		115,051
Short term deposits			167,272		156,978
<u>Cash and cash equivalents at 31 December 2020</u>			584,421		272,029

NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 December 2020 (continued)

1 Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are as follows:

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 issued in October 2019 (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The Trust meets the definition of a public benefit entity under FRS102. The financial statements are prepared on the going concern basis under the historical cost convention unless otherwise stated in the relevant accounting policy note.

The company is a private company limited by guarantee. The company's presentation and functional currency is Pound Sterling. The accounts are rounded to the nearest pound.

The company's registered number, registered office address and principal office address are listed on page 5.

Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves of the Trust to be able to continue as a going concern.

Income

All income is recognised gross, without netting off related expenditure. Donations, interest and investment income are recognised when received. Tax refunds received under gift-aid are recognised when the incoming resource to which they relate is received. Legacies are recognised when the Trust becomes unconditionally entitled to receive them. Grants are recognised when the Trust has entitlement to funds, any attached performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably.

Subscriptions represent amounts receivable relating to the accounting period. Tolls are recognised when received. Mooring fees, contract work, rent and other similar income are recognised when the Trust becomes contractually entitled to the income. Realised gains or losses are recognised when investments are sold and unrealised gains or losses on investments are recognised through the Statement of Financial Activities.

Expenditure

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 headings that aggregate all costs related to the category. They exclude time or materials freely given by members. Expenditure on charitable activities includes all costs related to the maintenance, improvement and regulation of the entire Avon Navigation.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity.

Intangible fixed assets

Research expenditure is written off to expenditure in the Statement of Financial Activities in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated. Intangible fixed assets are amortised on a straight line basis over their expected useful lives and provision is made for any impairment. The expected useful lives of intangible assets are as follows:

Website	5 years
---------	---------

**NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 December 2020 (continued)**

1 Accounting Policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Major infrastructure improvements and major plant	-	2.5% straight line basis
Machinery and Equipment	-	10% straight line basis
Workboats and Tugs	-	2.5% straight line basis
Motor Vehicles	-	10% straight line basis
Computer Equipment	-	25% straight line basis
Website	-	20% straight line basis
Other plant	-	5% straight line basis

Legacy and donated assets

Legacy and donated assets are recognised on the balance sheet and initially measured at cost when purchased or if donated, their valuation. Assets are subsequently stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Fair values for donated assets are estimated by reference to market prices. However, where information on the cost or valuation of heritage assets is not available or the cost of providing such information significantly outweighs any benefit to the users of the accounts then heritage assets are not recognised on the balance sheet.

Stock

Stock is valued on a first in first out basis at the lower of cost and estimated selling price less costs to complete and sell. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in income or expenditure.

Taxation

The Trust is exempt from corporation tax on its charitable activities.

Fund Accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees. Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the Trust. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 December 2020 (continued)

1 Accounting Policies (continued)

Investments

The investments held as fixed assets have been revalued at mid-market value at the balance sheet date and the gain or loss taken to the statement of financial activities. Current asset investments are included in the financial statements at their market value at the Balance Sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

Life members subscriptions

Credit is taken on a straight line basis over 10 years from life members subscriptions

Pensions

The Trust operates two defined contribution pension schemes for the benefit of its employees. Contributions are expensed as they become payable.

2 Staff costs

	2020	2019
	£	£
Wages and salaries	295,461	289,848
Employer's National Insurance	24,538	24,037
Defined contribution pension costs	14,520	14,437
Redundancy costs paid	38,413	-
	<u>372,932</u>	<u>328,322</u>

An allocation of the staff costs by the Trust is as follows:

Infrastructure improvements	27,197	96,059
Administration	102,411	92,138
Relief lock keepers	1,303	6,593
Contract works	39,363	22,183
Major works	174,429	94,142
Minor works	28,229	17,207
	<u>372,932</u>	<u>328,322</u>

The average number of employees excluding Trustees during the year was:

	No	No
Administration	1	1
Customer service	5	5
Operational	6	6
	<u>12</u>	<u>12</u>

In response to the two-year strategy developed to deal with the anticipated future impact of COVID-19, a re-structuring took place towards the end of 2020. As a result, the number of employees at the year-end had come down to 9.

The key management personnel of the Trust comprise the Trustees and the Chief Executive Officer. The total employee benefits of the key management personnel of the Trust was £92,963 comprising salary £66,800 allowances £9,600 bonus £6,543 pension contributions £10,020 (2019 - £91,173 comprising salary £65,426, allowances £9,600, bonus £6,333 pension contributions £9,814).

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

£80,001 to £90,000	<u>1</u>	<u>1</u>
--------------------	----------	----------

NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 December 2020 (continued)

3 Trustees remuneration

The charity's Trustees were not paid nor received any other benefits from employment within the Trust (2019 -£nil). During the year £nil was reimbursed as trustees' expenses (2019 -£nil). Details of payments made to related parties for professional services during the year are shown in note 15 to the financial statements.

4 Amount paid to Independent Examiner

	£	£
Independent Examiners fee	1,400	1,350
Accounts preparation	5,200	5,290
	6,600	6,640

5 Intangible Fixed Assets

	Website £	Total £
Cost:		
Additions	14,625	14,625
31 December 2020	14,625	14,625
Amortisation:		
Charge for the year	2,925	2,925
31 December 2020	2,925	2,925
Net Book Value:		
31 December 2020	11,700	11,700
31 December 2019	-	-

6 Tangible Fixed Assets

	Freehold Property £	Infrastructure Improvements £	Machinery and Office Equipment £	Workboats and Tugs £	Motor Vehicles £	Total £
Cost:						
1 January 2020	130,708	787,051	469,998	437,092	24,746	1,849,595
Additions	-	72,455	38,974	13,910	944	126,283
31 December 2020	130,708	859,506	508,972	451,002	25,690	1,975,878
Depreciation:						
1 January 2020	-	63,315	223,799	150,578	14,189	451,881
Charge for the year	-	21,224	16,538	9,582	2,492	49,836
31 December 2020	-	84,539	240,337	160,160	16,681	501,717
Net Book Value:						
31 December 2020	130,708	774,967	268,635	290,842	9,009	1,474,161
31 December 2019	130,708	723,736	246,199	286,514	10,557	1,397,714

No depreciation has been provided in respect of freehold property as the Trustees consider the current market value to be substantially in excess of cost. The Trust had no capital commitments at 31 December 2020 (2019: £NIL).

NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 December 2020 (continued)

7 Investments	2020	2019
	£	£
The Equities Investment Fund for Charities (23,358 Accumulation Units) Cost: £5,528 (2019 £5,259)		
Market value at 1 January 2020	6,533	5,312
Dividends reinvested	269	316
Unrealised (loss)/gain on investment	(1,111)	905
Market value at 31 December 2020	5,691	6,533
8 Debtors		
Trade debtors	100,945	70,992
Other debtors	5,426	11,625
Prepayments	8,420	4,724
	114,791	87,341
9 Current Asset Investments		
Short-Term Deposits	167,272	156,978
10 Creditors: amounts falling due within one year		
Trade creditors	18,909	25,160
Social security and other taxes (including VAT)	98,754	21,084
Accruals and deferred income	20,369	7,903
Payments on account	75,558	24,584
Other creditor	36,623	36,623
	250,213	115,354

The amount shown as 'other creditor' relates to an insurance claim for Evesham Lockhouse received in an earlier year. The Evesham Lock House is being renovated and changed into a multi-use activity centre.

11 Movement In Funds	At	Income	Expenditure	Investment	At
	01/01/2020			Gains/	31/12/2020
	£	£	£	(Losses)	£
Unrestricted Funds					
Unrealised gain on investment	1,274	-	- (1,111)		163
General Fund	1,604,544	959,995	(663,802)	-	1,900,737
	1,605,818	959,995	(663,802)	(1,111)	1,900,900
Restricted Funds					
David Hutchings Memorial Fund	8,477	-	-	-	8,477
SWWT Extension Project	7,484	-	-	-	7,484
Neptune	35,502	-	( 895)		-	34,607
	51,463	-	( 895)		-	50,568
Life members Subscription Fund (Note 12)	2,720	450	( 620)		-	2,550
Total Funds	1,660,001	960,445	( 665,317)	(1,111)		1,954,018

NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 December 2020 (continued)

Purposes of the Restricted Funds

David Hutchings Memorial Fund: This donation is to provide a memorial to David Hutchings.

SWWT Extension Project Following from the amalgamation of the Stratford and Warwick Waterways Trust the funds of SWWT were transferred to ANT and held for the sole use of promoting and facilitating the extension of navigation from Alveston to Warwick.

Neptune: Donations were for the refurbishment of the vessel 'Neptune'.

	<u>2020</u> £	<u>2019</u> £
12 Life Members Subscription Fund		
Balance at 1 January 2020	2,720	2,795
Subscriptions received	450	600
Charge for the year	(620)	(675)
Balance at 31 December 2020	2,550	2,720

13 Analysis of Net Assets between Funds

	<u>Restricted Funds</u> £	<u>Life Members Subscription Fund</u> £	<u>Other Unrestricted Funds</u> £	<u>Total</u> £
Intangible fixed assets	-	-	11,700	11,700
Tangible fixed assets	34,607	-	1,439,554	1,474,161
Investments	-	-	5,691	5,691
Current assets	15,961	2,550	694,168	712,679
Current liabilities	-	-	(250,213)	(250,213)
Total Net Assets	50,568	2,550	1,900,900	1,954,018

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

	<u>2020</u> £	<u>2019</u> £
Net movement in funds	294,017	221,471
Dividends received	(269)	(316)
Interest received	(294)	(899)
Amortisation of intangible fixed assets	2,925	-
Depreciation of tangible fixed assets	49,836	43,623
Loss/(Profit) on investments	1,111	(905)
(Increase) in stock	(1,729)	(1,323)
(Increase) in debtors	(27,450)	(52,997)
Increase in creditors	134,859	12,648
Net cash flow from operating activities	453,006	221,302

NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 December 2020 (continued)

15 Related Party Disclosures

The Trust has a close working relationship with The Lower Avon Navigation Trust Limited ('LANT'). The balance owing by LANT at 31 December 2020 was £nil (2019 - £nil).

D C Greer, a Trustee, was also a Partner in Thomson & Bancks, the Solicitors for the Trust, until 30 June 2019. All transactions were conducted on a better than normal commercial basis and amounted to £3,516 for the period to 30 June 2019. At 31 December 2019, no monies were due to Thomson & Bancks.

J Hegarty, a trustee, was the managing director of the Wychavon District Council until 31st July 2020.

16 Comparative amounts for the Statement of Financial Activities

The total funds shown for 2019 in the Statement of Financial Activities are split between unrestricted and restricted funds as follows:

	Unrestricted Funds £	Restricted Funds £	Total Funds £
<u>Income</u>			
Donations, legacies and subscriptions	44,624	21,000	65,624
Investment income	1,215	-	1,215
Income from charitable activities			
Maintenance, improvement and regulation of the Avon Navigation	667,763	-	667,763
<u>Rent receivable and other income</u>	<u>32,049</u>	<u>-</u>	<u>32,049</u>
<u>Total Income</u>	<u>745,651</u>	<u>21,000</u>	<u>766,651</u>
<u>Expenditure</u>			
<u>Expenditure on Charitable Activities</u>			
Maintenance, improvement and regulation of the Avon Navigation	338,475	18,783	357,258
Support and governance costs	<u>188,752</u>	<u>-</u>	<u>188,752</u>
<u>Total expenditure</u>	<u>527,227</u>	<u>18,783</u>	<u>546,010</u>
<u>Net Income for the year</u>	<u>218,424</u>	<u>2,217</u>	<u>220,641</u>
Unrealised (loss)/gain on investment	905	-	905
Movement in life members subscription fund	(75)	-	(75)
<u>Net Movement in funds for the year</u>	<u>219,254</u>	<u>2,217</u>	<u>221,471</u>
<u>Reconciliation of funds</u>			
Total fund balances brought forward at 1 January 2019	<u>1,389,284</u>	<u>49,246</u>	<u>1,438,530</u>
<u>Total fund balances carried forward at 31 December 2019</u>	<u>1,608,538</u>	<u>51,463</u>	<u>1,660,001</u>

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised in the year.

NOTES TO THE FINANCIAL STATEMENTS
for the year to 31st December 2020 (continued)

17 Revenue Account

		2020			2019		
		Charitable Activities	Other	Total	Charitable Activities	Other	Total
	Notes	£	£	£	£	£	£
Income							
Donations, legacies, grants and subscriptions	A	32,413	38,584	70,997	200	65,424	65,624
Tolls (Registration fees)	B	399,991	-	399,991	428,790	-	428,790
Mooring fees		20,614	-	20,614	22,048	-	22,048
Compensation annuity - Canal and River Trust		400	-	400	400	-	400
Contract work		442,189	-	442,189	211,039	-	211,039
Investment income	C	-	553	563	-	1,215	1,215
Evesham Hydro		5,830	-	5,830	5,486	-	5,486
Rent receivable	D	-	12,401	12,401	-	12,610	12,610
Sale of engine		-	-	-	3,333	-	3,333
Sale of trust goods and other income		-	7,010	7,010	-	16,106	16,106
		901,437	58,558	959,995	671,296	95,355	766,651

Expenditure

		2020			2019		
		Charitable Activities	Support & Governance Costs	Total	Charitable Activities	Support & Governance Costs	Total
		£	£	£	£	£	£
Wages and salaries		213,876	93,446	307,322	140,125	92,138	232,263
Redundancy costs		29,448	8,965	38,413	-	-	-
Maintenance costs and materials	E	112,775	-	112,775	74,787	-	74,787
Cost of trust goods		-	2,441	2,441	-	6,546	6,546
Property management and maintenance		-	2,128	2,128	-	3,855	3,855
Hire of plant		1,296	-	1,296	1,943	-	1,943
Insurance		15,336	1,116	16,452	6,785	10,091	16,876
Electricity and gas		7,065	-	7,065	8,181	-	8,181
Vehicle and boat expenses		22,153	-	22,153	29,478	-	29,478
Depreciation and amortisation		52,761	-	52,761	43,623	-	43,623
Governance costs: Accountancy charges		-	6,600	6,600	-	6,640	6,640
Rent of land		-	231	231	-	201	201
Telephone and postage		-	14,016	14,016	-	11,615	11,615
Printing, stationery and publicity		-	15,653	15,653	-	15,448	15,448
Bank charges		-	5,260	5,260	-	4,690	4,690
Computer expenses		-	9,094	9,094	-	5,151	5,151
Water and waste collection		7,945	-	7,945	11,665	-	11,665
Sundry expenses		-	4,339	4,339	-	3,947	3,947
Professional charges and subscriptions		5,414	7,875	13,289	13,985	24,136	38,121
Health and safety		9,902	3,925	13,827	6,835	3,894	10,729
Staff training		4,311	-	4,311	4,177	400	4,577
Bad debts		870	-	870	6,860	-	6,860
Volunteers expenses		6,456	-	6,456	8,814	-	8,814
		489,608	175,089	664,697	357,258	188,732	546,010

Professional charges include £9,250 (2019 - £15,561) paid to a firm for a combination of RYA certificated instruction services, applications for grants, website development and other miscellaneous services. No other amounts were paid to fundraisers during the year.

AVON NAVIGATION TRUST

21

**NOTES TO THE REVENUE ACCOUNT
for the year to 31st December 2020 (continued)**

	<u>2020</u> <u>£</u>	<u>2019</u> <u>£</u>
<u>Note A - Donations, Legacies, Grants and Subscriptions</u>		
Gordon Gray Trust	10,000	10,000
Neptune - Wychavon District Council	-	5,000
Neptune - The Bernard Sunley CF	-	5,000
Neptune - Garfield Weston	-	10,000
Neptune - Pershore Rotary Club	-	1,000
Pershore Island - The Postcode Lottery	-	-
Pershore Island - Dumbreck Foundation	1,000	1,000
Pershore Island - Aviva	-	-
White Water - Wychavon District Council	975	480
Volunteers, locks - Persimmon Homes	-	-
King Georges Field Moorings - Pershore Town Council	200	200
R O Goss - Legacy	-	20,000
Tewksbury Town Mayor	-	500
Bonstantious	-	500
Worcestershire County Council	-	3,150
Job Retention Scheme grants	51,355	-
Miscellaneous donations and subscriptions	<u>7,467</u>	<u>8,794</u>
	<u>70,997</u>	<u>65,624</u>

Note B - Tolls (Registration fees)

	<u>No.</u>	<u>£</u>	<u>No.</u>	<u>£</u>
Annual - Commercial Craft	-	36,358	-	51,908
- Private Craft	1,250	328,908	1,295	332,373
Short Term	1,182	34,725	1,557	43,935
Commission:				
Canal and River Trust	-	-	-	574
	<u>2,432</u>	<u>399,991</u>	<u>2,852</u>	<u>428,790</u>

Note C - Investment Income

	<u>£</u>	<u>£</u>
Interest received	294	899
Other investment income	<u>269</u>	<u>316</u>
	<u>563</u>	<u>1,215</u>

Note D - Rent Receivable

Avon Lock Cottage	4,709	4,920
Strensham Lock House	<u>7,692</u>	<u>7,690</u>
	<u>12,401</u>	<u>12,610</u>

Note E - Maintenance Costs and Materials

Major works (inc. locks and navigation works)	20,113	23,649
Costs of contract services	74,970	30,569
Building repairs and decoration	5,018	4,413
Minor works items	<u>12,674</u>	<u>16,156</u>
	<u>112,775</u>	<u>74,787</u>