

AVON NAVIGATION TRUST
(A COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Registered Number:

00857695

England & Wales

Charity No: 244951

BOWKER, STEVENS & CO

Chartered Accountants

Halesowen, West Midlands

CHAIRMAN'S REPORT 2021

It is pleasing as Chairman and for my fellow trustees to look at the accounts and see a very positive post-pandemic future for the Trust and navigation of our river.

Good planning and good execution of those plans has been the mainstay of how the Trust has managed the last couple of years. For any organisation, whether it be commercial or, like us, in the charitable sector, the ability to react promptly and with diligence has meant that the demands brought by this unprecedented pandemic have enabled not only survival, but financial stability.

As we reported at our last AGM, it was necessary to put in place a streamlined governance system over the worst impacted periods of the pandemic and my thanks 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. Happily, we have been able to resort to normal governance arrangements in recent months and we have welcomed two new Trustees in Lynne Powell and James Jarvis, who have brought specific professional skills and experience.

We have lost two exceptionally dedicated and gifted Directors from the Council. Diana Morgan and Paul Cronin have made massive and long-lasting contributions to the Trust, and we wish them well. They both continue to support the Trust as keenly as ever. It was a pleasure for me to award both of them our inaugural distinguished service medals.

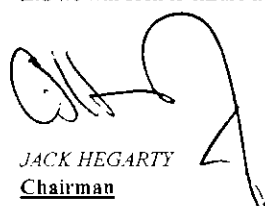
The suspension of volunteering activity was a great regret for all the Directors of the Trust. However, it was an inevitable consequence of ensuring COVID safety and compliance with all Government legislative requirements during the lockdowns. As I write this, volunteering has re-commenced, and we are grateful for all our returning volunteers and the work they do across the Navigation.

Our ability to engage in landmark projects hasn't diminished and the external funding package that our Directors have supported has enabled a very positive future for Evesham Lock House. Watch this space as we await the completion of works to the structure this year.

I want to acknowledge the challenge that our commercial operators on the Navigation have experienced over the last couple of years and their resilience has meant that economic activity has returned with gusto to the river.

A special thank you to our Chief Executive, Clive Matthews, who embraced the rigours and challenges of COVID on the delivery of the functions of the Trust with his usual efficiency and pragmatism. His small workforce has had to be adaptable and agile and this is, in my opinion, an appropriate opportunity to thank them.

As always, I am keen that the Trust is a highly respected and financially sustainable independent navigation authority, and we will seek to ensure it remains so.



JACK HEGARTY
Chairman

27 May 2022

Chief Executive Officer's Report 2021 Accounts**Overview**

As for all organisations, 2021 proved to be another difficult year to manage the Trust through the COVID-19 conflict.

We started the year with another lockdown. Due to the high infectiousness of the Delta variant, our health & safety consultant advised that we should limit our contact so everyone including the engineers worked from home with them on-call for any emergency callouts. This continued until stage one of the relaxation of controls on 8 March 2021 when the engineering team could resume normal working patterns.

During that lockdown, unfortunately, we experienced another flood of seven weeks in duration with the river back in the amber by the end of February.

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, the Trust worked as part of the local Tactical Coordination Groups, working alongside the Police, Fire & Rescue, local Councils, the Environment Agency, MOD, Paramedics etc.

This duration of flooding left the navigation with numerous major issues when the floods subsided.

More than ever, with the uncertainties of the pandemic, the challenge in 2021 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 lockdown that stopped boat usage until after Easter, on 12 April, the total number of short-term licences sold were down compared to pre-pandemic levels, which was obviously linked to the issues of the pandemic. However, as the year progressed and all the restrictions were lifted, we saw short-term licences recover to normal levels. Reassuringly, even with the effect of the pandemic, we saw that the number of annual licences achieved the highest in over eight years, at 1,329. Boat movements, as measured by the number of boats through Avon Lock, recovered back to near pre-pandemic levels and was only 8% down from 2019 compared to the 2020 drop of 48%. Obviously, up until the Government allowed normal boating to resume on 12 April 2021, 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 for all of the lockdowns so that 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 part of the 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, due to the infectious nature of the Delta variant, we all had to work from home until 8 March 2021. At this point we had a long list of major problems following the flooding, with gate failures, locks impassable, blocked bridges and debris, and silting up at numerous locations. ANT's long-standing policy to be self-reliant and self-sufficient again 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 to resume by government.

Our website continued to be an invaluable tool. It gave us the online facility for boaters to buy both annual and short-term licences as well as giving us the means to communicate guidance and government laws and how they affected the navigation and its use. We also worked with our mooring and marina operators to inform boaters of the controls they had in place. In total, we issued 15 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 12 April 2021, we worked hard to keep the navigation open. We restarted unsupervised volunteering under special health and safety measures covering lock maintenance, mooring maintenance and lock keeping.

With the likely hit to our core licence income, focusing on raising money from commercial works continued to be 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.

This was the first year of our two-year strategy to ensure ANT would ride out the storm of the uncertain future. This strategy was to batten down the hatches, limit our focus to our core objectives, reduce cost and maximise income. We ran the Trust with a reduced team and volunteers manned Tewkesbury Lock for another year. We restricted our works to maintenance and put on hold the major steady-state refurbishment programme.

Financial Results

I am pleased to report that our total income of £877k (2020 - £960k) was the third highest in the Trust's history and we achieved a healthy net income of £118k (2020 - £295k). This meant that our net current assets increased to £480k (2020 - £462k) which was as defined by the two-year strategy to protect the Trust from a potential 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. Unfortunately, had debts have increased significantly due to an outstanding debt owed by R&W Rail Ltd, which went into voluntary creditors liquidation on 3 December 2021. R&W Rail Ltd is a subsidiary company wholly owned by Chantacre Ltd. The amount outstanding at that time was £88,500 (ex VAT). R&W Rail Ltd had contracted ANT to carry out traffic management and provide support vessels during the restoration of Fladbury Railway Bridge, and were a level 1 contractor for Network Rail. Before engaging ANT to carry out this work, R&W Rail Ltd completed a Contractor Permit and the company was assessed as solvent based on their most recent published accounts at the time which were for the year ended 31 March 2019. Without this bad debt, our net income would have been £206k and our net current assets £568k.

Administration of the Trust

As with all events in the UK, none of the festivals were held in 2021. However, we are hopeful that these will all take place in 2022.

To try to support our boaters and commercial operators, we froze our licence fees for 2021 and extended the prompt payment 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.

Limited volunteering started up after the lockdown in April under special measures, and continued through 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

Following the lockdown and flooding, the team of staff and volunteers allowed to work, slowly worked their way upriver, undertaking clearance, dredging and asset repair work, bringing the navigation to the point where it was navigable for when boating was allowed.

River Maintenance and Contract Work (continued)

From 12 April 2021 our core volunteers maintained our lock and mooring sites as well as running Tewkesbury 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 negating the need 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 and improve 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. These contracts were won after demonstrating the professionalism of the Trust as a contractor to the EA, resulting in being able to negotiate a five-year partnership agreement.

We were also successful in winning contracts to support the refurbishment of Pershore Weir Bullnose, Bidford Bridge for the County Council and Fladbury Railway Bridge for Network Rail. Evesham Marina also engaged us to build a high specification mooring, significantly increasing their mooring capacity. This is a mutually beneficial project meaning that the navigation financially benefits from the commercial income as well as increasing the mooring capacity of the river.

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 another one of the toughest and most unprecedented years ever. However, hard work and determination prevailed, and we actually delivered another 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 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

27 May 2022

**REPORT OF THE TRUSTEES
for the year ended 31 December 2021**

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 2021. 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	(resigned 1 November 2021)
D C Greer	
M J Hodges (Treasurer)	
J P Jarvis	(appointed 29 September 2021)
M H Lyons	
B R Morgan	
D Morgan	(resigned 15 November 2021)
K V Welch	
P M H Wood	(until 29 April 2021)
L K Young	(appointed 29 September 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 & Banks LLP
37 High Street
Pershore
Worcestershire
WR10 1AH

**REPORT OF THE TRUSTEES
for the year ended 31 December 2021 (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 2021 (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 £876,830 (2020 - £959,995) and total expenditure amounted to £758,999 (2020 - £664,697), resulting in net income of £117,831 (2020 - £295,298). After taking account of the net movement on the investment and movements in the life members' subscription fund, total funds increased by £118,563 (2020 - £294,017) to £2,072,581 (2020 - £1,954,018). The Trustees consider these results to be excellent.
- The unrestricted funds at 31 December 2021, excluding the life members' subscription fund, totalled £2,020,438 (2020 - £1,900,900). After deducting fixed assets of £1,542,741 (2020 - £1,439,554) this left £477,697 (2020 - £461,346) 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 maintained 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 fixed 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), but excluding fixed assets.

At 31 December 2021 the Trusts unrestricted funds stood at £2,022,908 (2020 - £1,903,450) of which £1,542,741 (2020 - £1,439,554) was tied up in property, equipment, boats and vehicles. This left £480,167 (2020 - £463,896) of available reserves. This is in line with the reserves policy.

**REPORT OF THE TRUSTEES
for the year ended 31 December 2021 (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.

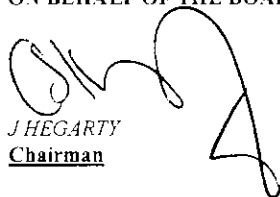
Statement of Trustees Responsibilities

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

27 May 2022

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF AVON NAVIGATION TRUST
FOR THE YEAR ENDED 31 DECEMBER 2021**

9

I report to the charity Trustees on my examination of the financial statements of the company for the year ended 31 December 2021 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.

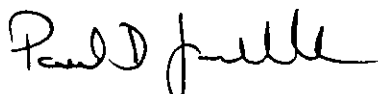
Independent Examiner's Statement

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

27 May 2022

STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account)
for the year ended 31 December 2021

	<u>Notes</u>	<u>Unrestricted Funds</u> <u>£</u>	<u>Restricted Funds</u> <u>£</u>	<u>2021 Total Funds</u> <u>£</u>	<u>2020 Total Funds</u> <u>£</u>
<u>Income</u>					
Donations, legacies and subscriptions	17	20,868	11,564	32,432	70,997
Investment income	17	292	-	292	563
<u>Income from charitable activities</u>					
Maintenance, improvement and regulation of the Avon Navigation	17	827,864	-	827,864	869,024
<u>Rent receivable and other income</u>	17	<u>16,242</u>	<u>-</u>	<u>16,242</u>	<u>19,411</u>
<u>Total Income</u>		<u>865,266</u>	<u>11,564</u>	<u>876,830</u>	<u>959,995</u>
<u>Expenditure</u>					
<u>Expenditure on Charitable Activities</u>					
Maintenance, improvement and regulation of the Avon Navigation	17	593,564	12,459	606,023	492,881
Support and governance costs	17	<u>152,976</u>	<u>-</u>	<u>152,976</u>	<u>171,816</u>
<u>Total expenditure</u>	17	<u>746,540</u>	<u>12,459</u>	<u>758,999</u>	<u>664,697</u>
<u>Net Income for the year</u>		118,726 (	895)	117,831	295,298
Unrealised gain/(loss) on investment	7	812	-	812 (	1,111)
Movement in life members subscription fund	12	(80 )	- (	80)	(170)
<u>Net Movement in funds for the year</u>		119,458 (	895)	118,563	294,017
<u>Reconciliation of funds</u>					
Total fund balances brought forward at 1 January 2021		<u>1,903,450</u>	<u>50,568</u>	<u>1,954,018</u>	<u>1,660,001</u>
<u>Total fund balances carried forward at 31 December 2021</u>		<u>2,022,908</u>	<u>49,673</u>	<u>2,072,581</u>	<u>1,954,018</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 2021

		<u>2021</u>		<u>2020</u>	
	<u>Notes</u>	£	£	£	£
<u>Fixed Assets</u>					
Intangible assets	5	8,775		11,700	
Tangible assets	6	1,576,453		1,474,161	
Investments	7	<u>6,775</u>		<u>5,691</u>	
			1,592,003		1,491,552
<u>Current Assets</u>					
Stock		11,505		13,467	
Debtors	8	98,459		114,791	
Investments - short term deposits	9	167,291		167,272	
Cash at bank and in hand		<u>315,364</u>		<u>417,149</u>	
		592,619		712,679	
<u>Liabilities</u>					
Creditors: amounts falling due within one year	10	<u>112,041</u>		<u>250,213</u>	
<u>Net Current Assets</u>			480,578		462,466
<u>Net Assets</u>			<u>2,072,581</u>		<u>1,954,018</u>
<u>The Funds of the Trust</u>					
Unrestricted funds including unrealised gains on investments	11		2,020,438		1,900,900
Life members subscription fund	11		2,470		2,550
Restricted funds	11		<u>49,673</u>		<u>50,568</u>
<u>Total Trust Funds</u>			<u>2,072,581</u>		<u>1,954,018</u>

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 2021, 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~~ ^{27 May 2022} and were signed on its behalf by:

J Hegarty

M Hodges

Trustees

STATEMENT OF CASH FLOWS
for the year to 31 December 2021

	<u>Notes</u>	<u>£</u>	<u>2021</u> <u>£</u>	<u>£</u>	<u>2020</u> <u>£</u>
Net cash flow from operating activities	14		54,505		453,006
Cash flow from investing activities					
Payments to acquire intangible fixed assets		-	(14,625)		
Payments to acquire tangible fixed assets		(156,291)	(126,283)		
Payments to acquire investments		(272)	(269)		
Interest received		20	294		
Dividends received		272	269		
Net cash flow from investing activities			(156,271)		(140,614)
Net cash flow from financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(101,766)		312,392
Cash and cash equivalents at 31 December 2020			584,421		272,029
Cash and cash equivalents at 31 December 2021			482,655		584,421
Cash and cash equivalents consists of					
Cash at bank and in hand			315,364		417,149
Short term deposits			167,291		167,272
Cash and cash equivalents at 31 December 2021			482,655		584,421

**NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 December 2021 (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
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NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 December 2021 (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 2021 (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

	<u>2021</u> £	<u>2020</u> £
Wages and salaries	270,427	295,461
Employer's National Insurance	22,524	24,538
Defined contribution pension costs	14,656	14,520
Redundancy costs paid	-	38,413
	<u>307,607</u>	<u>372,932</u>

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

Infrastructure improvements/ workboat refurbishments	31,488	27,197
Administration	84,486	102,411
Relief lock keepers	-	1,303
Contract works	67,997	39,363
Major works	119,405	174,429
Minor works	4,231	28,229
	<u>307,607</u>	<u>372,932</u>

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

	<u>No</u>	<u>No</u>
Administration	1	1
Customer service	3	5
Operational	5	6
	<u>9</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 2020 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 £96,097 comprising salary £67,468 allowances £9,600, bonus £8,909, pension contributions £10,120 (2020 - £92,963 comprising salary £66,800, allowances £9,600, bonus £6,543, pension contributions £10,020).

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>
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NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 December 2021 (continued)

3 Trustees remuneration

The charity's Trustees were not paid nor received any other benefits from employment within the Trust (2020 -£nil). During the year £nil was reimbursed as trustees' expenses (2020 -£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	1,500	1,400
Accounts preparation and AGM attendance	5,705	5,200
	7,205	6,600

5 Intangible Fixed Assets

	Website £	Total £
Cost:		
Additions	14,625	14,625
31 December 2021	14,625	14,625
Amortisation:		
1 January 2021	2,925	-
Charge for the year	2,925	2,925
31 December 2021	5,850	2,925
Net Book Value:		
31 December 2021	8,775	11,700
31 December 2020	11,700	11,700

6 Tangible Fixed Assets

	Freehold Property £	Infrastructure Improvements £	Machinery and Office Equipment £	Workboats and Tugs £	Motor Vehicles £	Total £
Cost:						
1 January 2021	130,708	859,506	508,972	451,002	25,690	1,975,878
Additions	53,967	47,328	16,759	22,029	16,208	156,291
31 December 2021	184,675	906,834	525,731	473,031	41,898	2,132,169
Depreciation:						
1 January 2021	-	84,539	240,337	160,160	16,681	501,717
Charge for the year	-	22,464	18,328	9,675	3,532	53,999
31 December 2021	-	107,003	258,665	169,835	20,213	555,716
Net Book Value:						
31 December 2021	184,675	799,831	267,066	303,196	21,685	1,576,453
31 December 2020	130,708	774,967	268,635	290,842	9,009	1,474,161

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 2021 (2020: £NIL).

NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 December 2021 (continued)

7 Investments	2021	2020
	£	£
The Equities Investment Fund for Charities (23,358 Accumulation Units)		
Cost: £5,800 (2020 £5,528)		
Market value at 1 January 2021	5,691	6,533
Dividends reinvested	272	269
Unrealised gain/(loss) on investment	812	(1,111)
Market value at 31 December 2021	6,775	5,691
	=====	=====
8 Debtors		
Trade debtors	11,726	100,945
Other debtors	11,866	5,426
Prepayments and accrued income	74,867	8,420
	98,459	114,791
	=====	=====
9 Current Asset Investments		
Short-Term Deposits	167,291	167,272
	=====	=====
10 Creditors: amounts falling due within one year		
Trade creditors	5,585	18,909
Social security and other taxes	8,019	98,754
Accruals and deferred income	19,585	20,369
Payments on account	43,537	75,558
Other creditor	35,315	36,623
	112,041	250,213
	=====	=====

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			Investment	At
	01/01/2021	Income	Expenditure	Gains/	31/12/2021
	£	£	£	(Losses)	£
Unrestricted Funds					
Unrealised gain on investment	163	-	-	812	975
General Fund	1,900,737	865,266	(746,540)	-	2,019,463
	1,900,900	865,266	(746,540)	812	2,020,438
	=====	=====	=====	=====	=====
Restricted Funds					
David Hutchings Memorial Fund	8,477	-	-	-	8,477
White Water Project	-	11,564	(11,564)	-	-
SWWT Extension Project	7,484	-	-	-	7,484
Neptune	34,607	-	(895)	-	33,712
	50,568	11,564	(12,459)	-	49,673
	=====	=====	=====	=====	=====
Life members Subscription Fund (Note 12)	2,550	550	(630)	-	2,470
	=====	=====	=====	=====	=====
Total Funds	1,954,018	877,380	(759,629)	812	2,072,581
	=====	=====	=====	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 December 2021 (continued)**

Purposes of the Restricted Funds

David Hutchings Memorial Fund:	This donation is to provide a memorial to David Hutchings.
White Water Project	This covers grants from Wychavon District Council for the White Water Project
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>2021</u> £	<u>2020</u> £
12 Life Members Subscription Fund		
Balance at 1 January 2021	2,550	2,720
Subscriptions received	550	450
Charge for the year	(630)	(620)
Balance at 31 December 2021	2,470	2,550

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	-	-	8,775	8,775
Tangible fixed assets	33,712	-	1,542,741	1,576,453
Investments	-	-	6,775	6,775
Current assets	15,961	2,470	574,188	592,619
Current liabilities	-	-	(112,041)	(112,041)
Total Net Assets	49,673	2,470	2,020,438	2,072,581

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

	<u>2021</u> £	<u>2020</u> £
Net movement in funds	118,563	294,017
Dividends received	(272)	(269)
Interest received	(20)	(294)
Amortisation of intangible fixed assets	2,925	2,925
Depreciation of tangible fixed assets	53,999	49,836
(Profit)/loss on investments	(812)	1,111
Decrease/(Increase) in stock	1,962	(1,729)
Decrease/(increase) in debtors	16,332	(27,450)
(Decrease)/increase in creditors	(138,172)	134,859
Net cash flow from operating activities	54,505	453,006

NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 December 2021 (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 2021 was £nil (2020 - £nil).

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

On 29 September 2021, Lynne Young (also known as Lynne Powell) became a director. Lynne has faithfully served the Trust for many years. Lynne also writes, designs and produces bulletins and other publications for the Trust, trading as Crucial PR. During the period she was a director, she supplied such services to the Trust amounting to £7,200. The terms were at, or better than normal market value and no monies were owing to Crucial PR at the balance sheet date.

16 Comparative amounts for the Statement of Financial Activities

The total funds shown for 2020 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	70,997	-	70,997
Investment income	563	-	563
<u>Income from charitable activities</u>			
Maintenance, improvement and regulation of the Avon Navigation	869,024	-	869,024
<u>Rent receivable and other income</u>	<u>19,411</u>	<u>-</u>	<u>19,411</u>
<u>Total Income</u>	<u>959,995</u>	<u>-</u>	<u>959,995</u>
<u>Expenditure</u>			
<u>Expenditure on Charitable Activities</u>			
Maintenance, improvement and regulation of the Avon Navigation	491,986	895	492,881
Support and governance costs	<u>171,816</u>	<u>-</u>	<u>171,816</u>
<u>Total expenditure</u>	<u>663,802</u>	<u>895</u>	<u>664,697</u>
<u>Net Income for the year</u>	296,193 (	895)	295,298
Unrealised (loss)/gain on investment	(1,111 )	- (	1,111)
Movement in life members subscription fund	(<u>170</u> )	<u>-</u> (	<u>170</u>)
<u>Net Movement in funds for the year</u>	294,912 (	895)	294,017
<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>Total fund balances carried forward at 31 December 2020</u>	<u>1,903,450</u>	<u>50,568</u>	<u>1,954,018</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 2021 (continued)

17 Revenue Account

	Notes	2021			2020		
		Charitable Activities	Other	Total	Charitable Activities	Other	Total
		£	£	£	£	£	£
Income							
Donations, legacies, grants and subscriptions	A	27,642	4,790	32,432	31,413	38,584	70,997
Tolls (Registration fees)	B	446,392	-	446,392	399,991	-	399,991
Mooring fees		19,665	-	19,665	20,614	-	20,614
Compensation annuity - Canal and River Trust		400	-	400	400	-	400
Contract work		355,881	-	355,881	442,189	-	442,189
Investment income	C	-	292	292	-	563	563
Evesham Hydro		5,526	-	5,526	5,830	-	5,830
Rent receivable	D	-	8,532	8,532	-	12,401	12,401
Sale of trust goods and other income		-	7,710	7,710	-	7,010	7,010
		855,506	21,324	876,830	901,437	58,558	959,995
Expenditure							
		Charitable Activities	Support & Governance Costs	Total	Charitable Activities	Support & Governance Costs	Total
		£	£	£	£	£	£
Wages and salaries		191,633	84,486	276,119	213,876	93,446	307,322
Redundancy costs		-	-	-	29,448	8,965	38,413
Maintenance costs and materials	E	158,119	-	158,119	112,775	-	112,775
Cost of trust goods		-	1,962	1,962	-	2,441	2,441
Property management and maintenance		-	3,244	3,244	-	2,128	2,128
Hire of plant		2,297	-	2,297	1,296	-	1,296
Insurance		20,778	1,115	21,893	15,336	1,116	16,452
Electricity and gas		11,811	-	11,811	7,065	-	7,065
Vehicle and boat expenses		28,344	-	28,344	22,153	-	22,153
Depreciation and amortisation		56,924	-	56,924	52,761	-	52,761
Governance costs: Accountancy charges		-	7,205	7,205	-	6,600	6,600
Rent of land		-	230	230	-	231	231
Telephone and postage		-	16,575	16,575	-	14,016	14,016
Printing, stationery and publicity		-	12,719	12,719	-	15,653	15,653
Bank charges		-	7,061	7,061	-	5,260	5,260
Computer expenses		-	8,855	8,855	-	9,094	9,094
Water and waste collection		19,712	-	19,712	7,945	-	7,945
Sundry expenses		-	5,599	5,599	-	4,339	4,339
Professional charges and subscriptions		17,473	-	17,473	5,414	7,875	13,289
Health and safety		4,108	3,925	8,033	9,902	3,925	13,827
Staff training		-	-	0	4,311	-	4,311
Bad debts	F	93,359	-	93,359	870	-	870
Volunteers expenses		1,465	-	1,465	6,456	-	6,456
		606,023	152,976	758,999	489,608	175,089	664,697

Professional charges include £nil (2020 - £9,250) 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

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**NOTES TO THE REVENUE ACCOUNT
for the year to 31st December 2021 (continued)**

	<u>2021</u> £	<u>2020</u> £
<u>Note A - Donations, Legacies, Grants and Subscriptions</u>		
Gordon Gray Trust	-	10,000
Aspire Business	1,000	-
Groundwork UK - Tesco plc	1,000	-
Pershore Island - Dumbreck Foundation	-	1,000
White Water - Wychavon District Council	11,564	975
King Georges Field Moorings - Pershore Town Council	-	200
Job Retention Scheme grants	13,779	51,355
Miscellaneous donations and subscriptions	5,089	7,467
	<u>32,432</u>	<u>70,997</u>

Note B - Tolls (Registration fees)

	<u>No.</u>	<u>£</u>	<u>No.</u>	<u>£</u>
Annual - Commercial Craft		58,896		36,358
- Private Craft	1,329	338,404	1,250	328,908
Short Term	1,826	49,092	1,182	34,725
	<u>3,155</u>	<u>446,392</u>	<u>2,432</u>	<u>399,991</u>

Note C - Investment Income

	<u>£</u>	<u>£</u>
Interest received	20	294
Other investment income	272	269
	<u>292</u>	<u>563</u>

Note D - Rent Receivable

Avon Lock Cottage	840	4,709
Strensham Lock House	7,692	7,692
	<u>8,532</u>	<u>12,401</u>

Note E - Maintenance Costs and Materials

Major works (inc. locks and navigation works)	31,013	20,113
Costs of contract services	107,841	74,970
Building repairs and decoration	3,898	5,018
Minor works items	15,367	12,674
	<u>158,119</u>	<u>112,775</u>

Note F - Bad debts

Bad debts have increased significantly due to the write off of an outstanding debt owed by R&W Rail Ltd, which went into voluntary creditors liquidation on 3 December 2021. R&W Rail Ltd is a subsidiary company wholly owned by Chantacre Ltd. The amount outstanding at that time was £88,500 (ex VAT). R&W Rail Ltd had contracted ANT to carry out traffic management and provide support vessels during the restoration of Fladbury Railway Bridge. R&W Rail Ltd were a level 1 contractor for Network Rail. Before engaging ANT to carry out this work, R&W Rail Ltd completed a Contractor Permit and the company was assessed as solvent based on their most recent published accounts at the time, which were for the year to 31 March 2019.

The remaining bad debt of £4,859 is made up of various unpaid full licence fees where the owners have been untraceable and the boats have subsequently left the navigation.