



**Canal &
River Trust**

Making life better by water

Annual Report & Accounts 2021/2022





Image: Burnley's famous 'Straight Mile'

Annual Report of the Trustees of Canal & River Trust 2021/2022

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Introduction



The past year – the second to be severely affected by the Covid-19 pandemic – has seen the Trust demonstrate its resilience to the challenges faced and continue to provide opportunities for the millions of people who have waterways on their doorstep to experience the many wellbeing benefits they offer.

Throughout the pandemic, canals have been a lifeline for all those living within a short walk, including many of the one in eight residents in the UK who do not have a garden.

When our waterways were finally able to re-open for unrestricted navigation (at the end of May 2021), boat movements reached near record levels, with hire boat companies reporting full order books and

many private leisure boaters making up for lost time for the rest of the summer. Usage of towpaths also continued to rise, reaching a total of nearly 800 million individual visits across the year as a whole.

We continue to focus most of our funding and resources on the Trust's core purpose of caring for the waterways, keeping them safe, attractive and accessible, and we have again been able



Richard Parry
Chief Executive



Allan Leighton*
Chair

*Allan Leighton's term of office ended on 21 September 2022. He was succeeded by David Orr CBE who was appointed Chair on 22 September 2022.

Above:
Nottingham,
Nottingham &
Beeston Canal

Below: Worcester
& Birmingham
Canal

to increase the amount we spend on core maintenance and repair works that keep the canals navigable for boaters. Despite the ongoing challenges of working through the Covid-19 pandemic, and restrictions on available material and labour, we carried out close to a full winter maintenance programme, as well as responding to the impacts of weather and climate change to deliver a range of additional unplanned interventions.

The largest spend in our major infrastructure works programme was again on our high-risk reservoirs, the oldest in the country. The re-construction of the spillway at Toddbrook reservoir achieved a key milestone with the granting of planning consent after months of careful engagement with the numerous local stakeholders, so that works can commence this summer. We delivered a range of other major reservoir projects this year, with many more either on site now or in the planning process, as we invest tens of millions of pounds of additional works over this decade to minimise any threat to public safety, in line with independent engineer direction.

As we look forward to our 10th year as a charity, we continue to work with Defra on the Review that will determine the Trust's Government grant funding from 2027, when the current Grant Agreement comes to an end. Whilst we are fortunate to have five years of committed Government funding, rising inflation is putting considerable strain on our finances, with our grant fixed now until 2027 (and hence declining significantly in real terms), and other income sources under pressure. It is no exaggeration to say that the healthy future of our waterways depends upon persuading Government to continue to provide the necessary funding to address their long-term resilience and avert their decline. The Trust bears a wide range of risks, statutory obligations and legal liabilities and if Government fails to recognise the ongoing cost of discharging these, which independent consultants have confirmed, then we will jeopardise our ability to maintain their underlying condition and unlock their full potential.

The Review provides the opportunity to demonstrate the substantial benefits that waterways bring, as well as the risks associated with our ageing and vulnerable





network. Evaluation work conducted by respected consultancies has quantified the wellbeing benefits of waterways at around £4 billion annually. We can also estimate that our canals provide savings to the NHS each year through physical health and general wellbeing benefits associated with more active lives, notably in areas where canal towpaths are the only available local places to connect with nature. Research we commissioned jointly with British Marine explored the wider economic and social value associated with boating on inland and coastal waters. It suggests spending time out on the water could be even more beneficial than other 'mindfulness' activities, and it was particularly encouraging to see the positive benefits of paddle sports, often the most accessible way to get out onto the water. For example, our Defra-funded Green Social Prescribing pilot project on the Nottingham & Beeston Canal has enabled people to spend time on and by the water as an alternative way of improving their mental and physical health, with very positive initial outcomes.

As "the charity" that believes in making life better by water, we work with communities to transform their local waterways, creating places that can be used by everyone, every day. The ongoing support we've received from numerous partners, ranging from the players of the People's Postcode Lottery to Sport England, has enabled us to increase this work to encourage participation in our activities and strengthen connections to communities, in some of the most deprived areas that our waterways run through, achieving a lasting transformation.

The wellbeing benefits of being by water are shared by our colleagues and volunteers, without whom none of the work we do on our waterways would be possible, and with all our partners. We appreciate all of their commitment and dedication through the past year when Covid-19 still affected our work. The tragic death of our colleague, licensing ranger Clive Porter, assaulted on the towpath near Aylesbury in April 2021, was a stark reminder of the risks our

Above:
Harecastle, Trent
& Mersey Canal

“Our canals and rivers also continue to play a crucial role in providing vital green corridors for wildlife, bringing nature into our towns and cities and supporting biodiversity.”

colleagues also face in carrying out their duties. We supported Clive's family during the subsequent murder trial that led to the conviction and life sentence for his assailant, and together we planted a tree in his memory by the Grand Union Canal at Marsworth in May 2022. During the year, we have rolled out body-worn cameras to our frontline licensing support teams to deter hostile behaviour towards our people in future.

As the task of looking after our ageing network presents an ever more costly challenge, particularly as extreme weather events become more common and more intense, we continue to be unrelenting in our efforts to generate the funds and support needed to keep the waterways available for generations to come.

Our commercial and investment activities continued to make a significant contribution to our work, notwithstanding the challenges of sustaining income generation during the pandemic. The total value of our investments increased by 8.2% to £1,144.5 million, and overall our investment activity generated £51.4 million income for waterways maintenance and repairs. Rising inflation makes sustaining above CPI growth a daunting prospect in the years ahead.

In November 2021, as global attention focused on climate change at the UK's COP26 Glasgow conference, we highlighted the many ways our 250-year-old network of inland waterways can help Britain mitigate the effects of climate change. From helping to cool

cities in summer, to providing low-carbon energy to heat homes in winter, our canals are helping to drive a Green Industrial Revolution. As traffic-free sustainable transport routes, our partnership with the Department for Transport and Sustrans saw over £2 million awarded for towpath improvements from the Active Travel fund.

Our canals and rivers also continue to play a crucial role in providing vital green corridors for wildlife, bringing nature into our towns and cities and supporting biodiversity. As part of our carbon reduction programme, supported by People's Postcode Lottery, we planted 14,000 trees across our network. We also completed our £20 million Unlocking the Severn project, funded by the National Lottery Heritage Fund and the European LIFE fund, to re-introduce fish species to the upper sections of the river, officially opened by HRH The Princess Royal.

To demonstrate to the wider public what attractive, well-cared-for spaces our canals have become, we have now secured Green Flag Awards for 446 miles of our network. These are founded on the principle of local community action, and are testament to the hard work of colleagues, volunteers and local partners who do so much to ensure that these waterways have high standards of nature conservation, safety and environmental management. Our Royal Albert Dock and Salthouse Dock in Liverpool also became England's first ever Blue Flag marinas, in recognition of their outstanding water quality and safety.



**Our
investments
increased by
8.2%**

Our #ActNowForCanals Plastics Challenge campaign continues to engage volunteers across the country to help tackle the massive amount of litter and plastic waste that can blight our waterways. Across our network we've worked with schools, colleges and universities, companies, community groups, clubs and charities to remove hundreds of tonnes of environmentally damaging litter and fly-tipping. We were pleased to receive confirmation the new Environment Act 2021 will support the role of waterways in providing Biodiversity Net Gain from new canalside developments.

One of the highlights of the past year has been our participation in the Government's Kickstart scheme, providing six-month work placements for 45 young people with no employment experience in some of the most deprived areas our waterways run through. We were so pleased with their contribution that we were able to offer 22 of them apprenticeships with the Trust at the end of their six months, and went on to develop a second phase of Kickstarters in 2022. We've also made progress towards the achievement of the POWER of Youth Charter commitments we made in 2020, with over 35,000 young people engaged in Trust-delivered activities and events, and close to 20,000 hours of youth social action delivered. To broaden the involvement of young people

in the Trust, we launched a new Youth Fellowship Programme.

Waterways are part of the fabric of our nation and remain amongst the finest examples of industrial heritage in the world, and we were pleased to again receive support from Historic England for our work, with seven major heritage projects supported by a grant of over £1.4 million from the Heritage Stimulus Fund, part of the Government's Culture Recovery Fund. Our commitment to the heritage in our care also saw 'at risk' buildings at Finsley Gate Wharf in Burnley and the Roundhouse in Birmingham, our joint venture with the National Trust, both re-opened after extensive renovation, funded by the National Lottery Heritage Fund. In Whaley Bridge, the Transhipment Warehouse (now leased to a local Community Interest Company and in regular public use again), was also removed from the national Heritage at Risk Register.

With eight of the 13 Commonwealth Games venues either on or close to our canal network, we embraced the opportunities for our waterways that this major global event presented. We completed a programme of pre-Games infrastructure improvements, and progressed our Great Canal Orchard project, which will eventually see new



Our Great Canal Orchard project will see fruit trees planted along 50 miles of our waterways

fruit trees planted along 50 miles of our waterways in the West Midlands, led by our 'Wild in Birmingham' volunteers. This is supplemented by the wider engagement enabled by the award of £1.7 million from the Government's Green Recovery Challenge Fund to support nature recovery, linking seven nature reserves and enhancing seven SSSIs around the West Midlands, helping to make it the greenest Games ever.

We know that arts and culture play an important role in connecting people to our waterways. This year we renewed our partnership with Arts Council England and contributed to the Coventry UK City of Culture 2021, with the canal basin hosting a range of different performances and installations. We were delighted to host a visit by our Patron HRH The Prince of Wales to see the improvements in June 2021. Other inspiring cultural projects delivered in the year included street art in Sefton, Tottenham and Walsall, and the latest phase of the ongoing major Arts Council funded 'Super Slow Way' along the Leeds & Liverpool Canal in Pennine Lancashire. We also appointed a new Canal Laureate, poet Roy McFarlane, in conjunction with the Poetry Society.

Our support for canal restoration continued with the second reconstructed lock on the Grantham Canal opened in August 2021, thanks to the dedicated

volunteers of the Canal Society and the support of the National Lottery Heritage Fund. We were thrilled when Powys County Council secured £15.4 million from the Government's Levelling Up Fund for the further restoration of the Montgomery Canal in February 2022, and with the progress made by the Cotswolds Canal Partnership during the year.

The role that our waterways play in providing accessible and attractive 'on-the-doorstep' space for millions of people is vital in supporting government policy on levelling up as we reach communities with high levels of deprivation and health inequalities. No other UK charity brings so much free, open and accessible blue and green space to the doorsteps of so many people. Our mission continues to bring more people to the waterways to enjoy the health and wellbeing benefits of this remarkable historic network, whilst also providing the timeless experience on or by the water that our many established customers expect. All of this depends upon the Trust having the funds to continue the ongoing investment that is vital to make canals and river navigations safe to use, and resilient to the changing climate. The Grant Review this year is of critical importance for all who care about our inland waterways and a good outcome is essential if their future is to be secured.



Left:
Transhipment
Warehouse,
Whaley Bridge



Right: Coventry,
Coventry Canal

Caring for our historic waterways



Keeping our ageing waterways in a safe working condition is a constant challenge given their exposure to the elements and the wear and tear of rising usage.

Across the winter we spent almost £43 million on winter maintenance and repairs. We carried out over 160 large-scale works across our waterway network, replacing lock gates, repairing masonry and brickwork, fixing leaks, updating and installing hydraulics and electrics at mechanised structures, as well as ongoing works to ensure resilience at several of our large high-risk reservoirs which are vital for canal water supply. Our specialist workshops handcrafted 132 lock leaves, installed at 73 locks across the network.

Our Defra Waterway targets

81.4% of our towpaths were in Grade C or better condition (target 80.0%). 87.1% of our Principal assets were at grade C or better (target 86.5%) and 99.5% of our flood management assets met grade C or better condition (target 99.0%).

Following input from Woodhouse Consulting, we finalised our first draft 20-year Asset Plan to inform our Government Grant Review.

Reservoirs and water supply

- Following public consultation, working with our specialist engineering consultants Arup, we developed our plan to repair and re-open Toddbrook Reservoir, with its replacement spillway designed to meet all engineering requirements as strictly defined by the independent engineer overseeing the project. We held a second public

Above:
Improvements to the reservoirs at Earlswood



Across the winter we spent almost £43 million on winter maintenance & repairs on our network

consultation in June 2021 which helped to shape the final design proposed, and were granted planning permission for the spillway replacement scheme in March 2022. This major £32 million two-year project will involve building a new overflow structure to the north of the dam, linking into the existing bypass channel flowing into the River Goyt in Whaley Bridge's Memorial Park. The concrete panels from the 1970s-built overflow spillway, damaged in summer 2019, will be removed. The dam will then be repaired and grassed over. To make way for the new spillway works, Toddbrook Sailing Club will be relocated in a newly-positioned and improved facility.

- We carried out over £1.6 million of improvements to our 200-year-old reservoirs at Earlswood, which feed the Stratford Canal in Solihull. The project included raising and strengthening the core of the main dam to improve its resilience during flood events, de-silting and erosion protection works to the canal feeder channel, and upgrading some of the footpaths around the popular site.
- At Carr Mill Reservoir near St Helens, we successfully trialled a new underwater robot designed to carry out maintenance and repairs within inaccessible confined spaces, averting the need to drain. Reservoir repairs

were carried out on the reservoir's old spillway, its bridge was strengthened to carry modern traffic loads and valves replaced.

- We began a two-year maintenance and repair project at Slaithwaite Reservoir in Huddersfield, which supplies water to the Huddersfield Narrow Canal.
- At Brent Reservoir in London we carried out a geographical survey of the reservoir and upgraded the electrical sluices. We also carried out a hydrographic survey to help inform plans for selective dredging of the reservoir for the benefit of people and wildlife.
- We carried out repairs to the spillway at Tringford Reservoir, serving the Grand Union Canal in Hertfordshire.
- At Barrowford Reservoir on the Leeds & Liverpool Canal in the North West we lowered the water levels to address leakage issues and commenced work to lower the dam height and install improved drainage.
- We completed the installation of a new draw-down siphon at Bosley Reservoir near Macclesfield and works at Knipton Reservoir to feed the Grantham Canal in Lincolnshire. The failure of the Combs Reservoir feeder and challenges of operating

Case Study – Restoration work at Tees Barrage

We completed a five-year major restoration project at the Tees Barrage, with work to all four gates and cylinders, costing around £3.5 million. With a contribution of around £600,000 towards the project from players of the People's Postcode Lottery, the works ensure the structure will continue to fulfil its flood alleviation and tidal control role, helping to regenerate a previously run-down stretch of river to become a busy visitor attraction. The Tees Barrage Park is home to the Tees Barrage International White Water Centre and two nature reserves either side of the river, run by the Tees Valley Wildlife Trust. The Barrage itself has a lock for boat navigation, fish passes for migratory fish and it generates electricity from tidal power.

Right: Tees Barrage



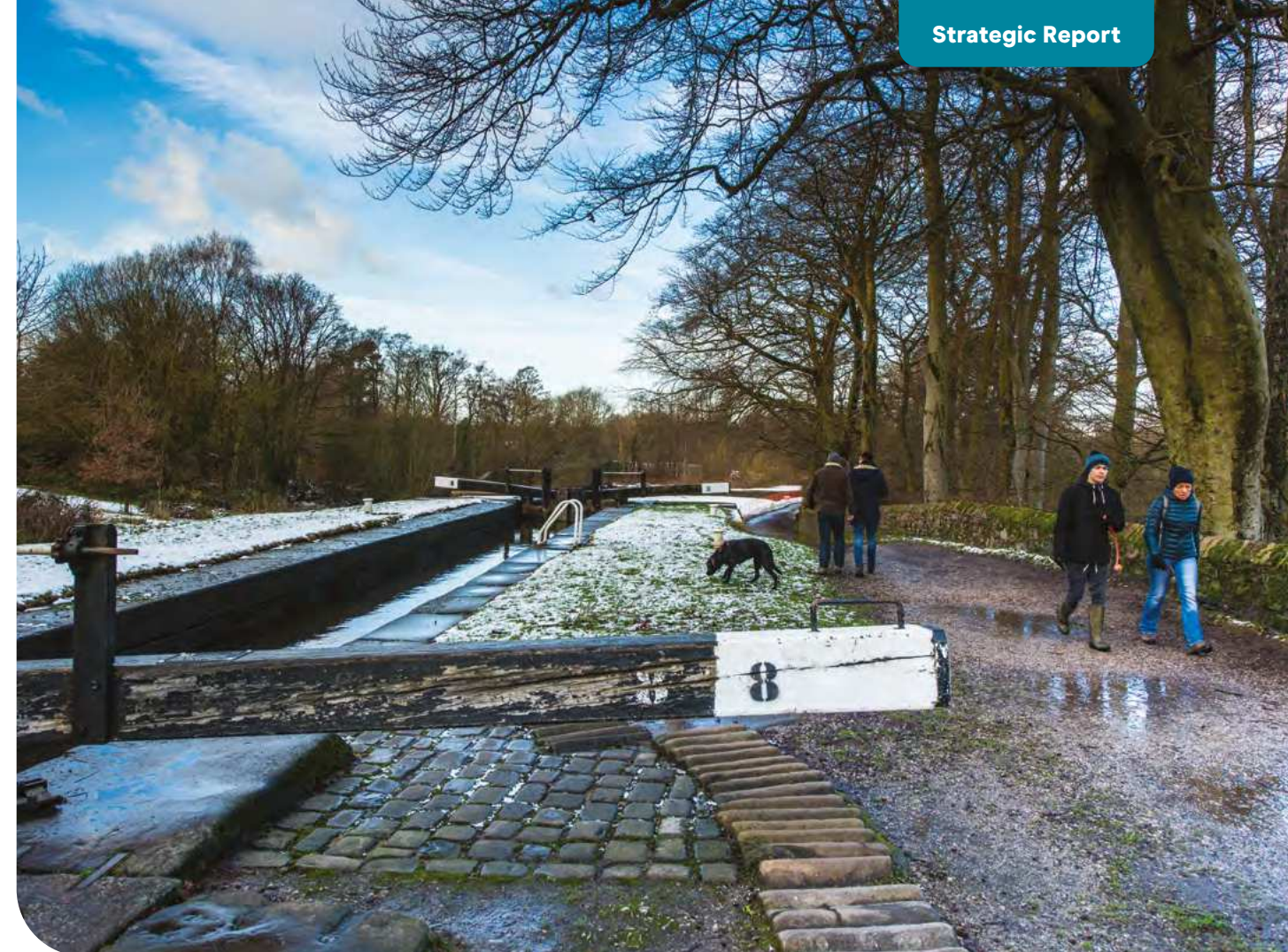
its temporary pumping scheme have been demanding for our local teams. This issue, together with the necessity to keep water levels in Toddbrook Reservoir low, is putting a strain on water supplies in the region.

- Our 2021 Lockage Report recorded a nearly 40% increase in lock use compared to the previous year across our 178 comparison sites, reflecting the pandemic impact in 2020. It was still slightly below the 2019 full-year total before the pandemic affected boating. 2021 usage was higher in the peak summer months, reflecting the surge in popularity once Covid restrictions were lifted and many newcomers turned to the waterways as a safe and accessible holiday option.
- April 2021 was the driest since 1980 which, compounded by ongoing reservoir safety works, affected the Trust's water resources early in the boating season. Water-saving operating times were introduced on some canals in the north to ensure water supplies were available through the peak summer period. Volunteer lock keepers were present at 119 sites, helping boaters and encouraging efficient use of locks to support the Trust's water saving efforts, recording 136,500 hours of lock keeping altogether.
- We installed two new energy efficient pumps at Gloucester Pumping Station to help secure the water resources for Gloucester Docks and the Gloucester & Sharpness Canal, which supplies drinking water for close to half the population of Bristol.

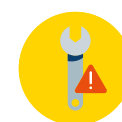
Dealing with emergencies

- At the beginning of March, Storm Eunice swept across the UK causing around 500 trees to fall across our waterways. There was widespread flooding across the network and some structural damage to buildings and winter works construction sites. Clearing trees and emergency pumping led to around £300,000 additional spend and delayed the completion of some of our projects. One large tree which fell on the Monmouthshire & Brecon Canal near Talybont punctured the bed of the canal. This damaged the culvert running beneath the canal, which had to be rebuilt before it could re-open.
- The storm seriously damaged the roof of our impounding station in Docklands, which houses the heavy-duty pumps that keep West India Docks topped up with water.
- In October a major breach occurred on a section of the Leeds & Liverpool Canal at Rishton in Lancashire. A large volume of water was lost along this 24-mile pound before we were able to install emergency dams either side of the breach. Repairs costing around £1.7 million included bringing in over 3,000 tonnes of stone and other materials to reconstruct the canal and build a new culvert carrying a stream under the canal.
- Over 1,000 litres of oil entered the Stourbridge Canal at Silver End. Our incident response was prompt, so the contamination was contained to a 25-metre section. We worked with our contractors for four days to clear the oil.

Left to right:
Hebden Bridge,
Rochdale Canal,
Newark, River
Trent Navigation



Above: Marple,
Peak Forest Canal



We repaired the Grade II Listed Northwich Town Bridge

- Following a series of fish deaths on a localised stretch of the Aire & Calder Navigation at Knottingley, in January we temporarily suspended freight traffic movements. We worked with freight operators to carefully monitor the impact on wildlife of a series of pre-arranged passages, including sampling to identify the presence of toxins. Over the last year, we have taken steps to support and facilitate freight passage on the waterway, including dredging sections, training freight volunteer lock keepers and delivering a £3 million repair programme following a major breach in December 2020.
- Significant movement to a wall of Eshton Lock 31 on the Leeds & Liverpool Canal led us to close the lock. We applied for listed building consent and rebuilt the wall.

Caring for our heritage

- We were awarded £1.4 million from Historic England's grant received from Historic England's Heritage Stimulus Fund, part of the Government's Culture Recovery Fund.

- The funding supported seven major projects on the Walsall, Leeds & Liverpool, Peak Forest, Grand Union and Ashton canals.
- We carried out over £300,000 of repairs to Grade II Listed Northwich Town Bridge, Britain's first electrically-operated floating swing bridge. The repairs re-balanced the original cantilever rotary mechanism, enabling the 122-year-old bridge carrying a busy road over the River Weaver Navigation, to swing open again for large boats.
- On the Kennet & Avon Canal near Bath we worked with a specialist abseiling team and stone masonry conservators to repair stone mouldings on the Grade I Listed Dundas Aqueduct.
- On the Peak Forest Canal at Bugsworth Basin, where we were granted Scheduled Monument Consent to repair washwalls in the upper basin, we held a series of lime-mortar brick re-pointing training days for our employees, volunteers and apprentices.

- We won a heritage award from the Institution of Structural Engineers (Midlands) for our sympathetic restoration of the Grade II Listed Big Lock Footbridge on the Trent & Mersey Canal at Middlewich, delivered in partnership with Arcadis, Kier and deHavilland, at a cost of over £330,000.

Towpath Improvements

- Working in partnership with Sustrans, we were allocated over £2 million of investment to improve 7.5 miles of towpaths that form part of the National Cycle Network 'Paths for Everyone'. The funding, which comes from DfT's Active Travel Fund, was allocated to a number of sites, notably the Grand Union Canal at Long Itchington in Warwickshire, the Shropshire Union Canal in Chester and the Birmingham Mainline Canal in Dudley.
- We secured around £200,000 from the Active Travel Fund via Worcestershire County Council for towpath improvements on the Worcestershire & Birmingham between Perdiswell and Blackpole and over £800,000 for improvements to the towpath in Birmingham City Centre between Icknield and Smethwick.
- We completed a £1.5 million project to improve a 5.4-mile stretch of the Gloucester & Sharpness Canal towpath between Gloucester Docks and Sellars Bridge. Contributions came from the European Regional Development Fund, Gloucestershire County Council,

Gloucester City Council, the Gloucester Environment Trust and developers via S106.

- In partnership with Staffordshire County Council and the National Trust, we improved a 600-metre stretch of the Trent & Mersey Canal at Great Haywood in Staffordshire. The work was part funded by a grant from the European Agricultural Fund for Development – Rural Tourism Infrastructure programme.
- Thanks to funding from the National Lottery Heritage Fund, we resurfaced a 5-mile stretch of towpath along the Trent & Mersey Canal in Derbyshire and Staffordshire as part of our 'Transforming the Trent Valley' project.
- We worked with Oxford County Council to improve 1.2 miles of towpath on the Oxford Canal between Godstow Road and the A44. The project received around £700,000 of funding from the Department for Transport's Cycle City Ambition Grant.
- The Llangollen Canal towpath from Lions Quay to the village of St Martins in Shropshire was resurfaced and widened in places. The work was part-funded by a grant from the European Fund for Rural Agricultural Development – Rural Tourism Infrastructure programme.
- Working with Leicester City Council and making use of their Local Growth Fund, we completed a £1 million towpath improvement project at Blue Bank Bridge and Aylestone Meadows.



We completed a £1 million towpath improvement project in Leicester

Left to right:
Oxford Canal,
London, Hertford
Union Canal



“Our open day events give visitors the chance to find out more about the work we do to maintain our historic network.”

Open days

Our open day events give visitors the chance to see waterway walls and other historic structures normally hidden from view, speak to members of our skilled teams, and find out more about the work we do to maintain our historic network.

- At Newark Town Lock, visitors were able to step down into the drained lock in the River Trent Navigation on specially constructed walkways ahead of work to replace two giant sets of lock gates, made at our specialist workshops at Stanley Ferry in Yorkshire and costing around £330,000 to construct and install.
- Hundreds of Londoners took the opportunity to walk along the drained Hertford Union Canal ahead of repairs to the brickwork and masonry of the waterway walls. The work was part of a two-year project to safeguard the Hertford Union Canal, costing around £750,000, supported by a £547,200 grant via Historic England through the Heritage Stimulus Fund. At Blackpit Lock on the Rochdale Canal at Hebden Bridge, visitors could speak to our on-site team as they peered into the lock from the bridge that spans it, and at Lock 17, Seend Locks on the Kennet & Avon Canal in Wiltshire, visitors could see the lock drained ready for gate replacements.
- At Anderton Boat Lift visitors were given a unique insight into the Victorian boat lift's complex mechanism, including the chance to view work to replace the gate seals on one of the caissons. The open weekend marked the start of a special celebration year for Anderton Boat Lift, which reopened 20 years ago after a major restoration.
- We held a virtual open day to showcase winter maintenance work at Lock No 3 at Ryders Green on the Walsall Canal, and created a series of virtual tour videos exploring the history and modern day importance of Grade I listed Claverton Pumping Station on the Kennet & Avon Canal. A virtual open day was also held at Watford Locks on the Grand Union Canal in Northamptonshire, where gates were replaced at locks 3 and 7.
- At Grindley Brook on the Llangollen Canal in Shropshire, visitors saw solid oak lock gates being fitted to one of the locks.
- As part of London Open House Weekend, we opened to the public Brentford Toll House and the Impounding Station at London Docklands, providing tours for 260 visitors across the two sites.

Managing our environment

Throughout the summer and early autumn, a combination of warm weather, sunshine, and extra nitrates from agricultural run-off create perfect growing conditions for duckweed, water fern, common reeds and Canadian waterweed at many sites across our network. In addition to the flow of the water, these fast-growing plants are also spread by passing boats, canoeists, paddle boarders, anglers' nets and walkers' muddy boots. Left undisturbed, they can form a thick green carpet on the water, which causes problems for boat engines and reduces light and oxygen levels in water, harming fish and other wildlife. Its solid appearance also makes it a potential danger for children and animals.

- In support of 'National Invasive Species Week' in May we launched an awareness campaign urging waterway users to 'Please stop the spread of harmful waterway plants and animals'.
- In partnership with Severn Trent, we started a four-year project to help

eradicate invasive plant species along 180 miles of canals across the Midlands. The £600,000 project, funded by Severn Trent's Great Big Nature Boost scheme, will focus on eradicating Giant Hogweed, Japanese Knotweed, Floating Pennywort and Floating Water Fern (Azolla).

- On the Lancaster Canal, using an amphibious tractor, we scooped up hundreds of tonnes of invasive weed at low flow areas around Lancaster, Garstang, Cabus Nook, north Preston, Radcliffe Wharf and Woodplumpton.
- To help tackle the problem of Water Fern on the Bridgwater & Taunton Canal, we released around 3,000 Water Fern-eating weevils.
- On the River Witham we added a new weed boat to help clear around 100 tonnes of weed a day, and released thousands of weevils to feed on the water fern there.

Below: Lancaster Canal



Above: Wigan Flashes, Leeds & Liverpool Canal (Leigh Branch)



£6.6 million spent on dredging

- The canal network, with its linear hedgerows and verges, provides vital connecting routes between increasingly fragmented woodlands and other important wildlife habitats. Following a six-month trial of changes to the way we mow our towpaths, aimed at increasing habitat for wildlife while ensuring the needs of boaters, towpath users and anglers are met, we introduced a new national towpath mowing programme. Four trial mowing options were devised taking into account the canal usage, soil fertility and geographical location. The trials covered around 370 miles of our waterways.
- At Bosley Reservoir, which supplies water to the Macclesfield Canal, we worked with the Prince Albert Angling Society and the Angling Trust to deal with an invasion of New Zealand pygmy weed.

Dredging

- Nationally we spent around £6.6 million on dredging, removing 125,375 tonnes of silt from over 30 locations, including five mainline projects across 18 miles of waterway. Less than 4% of the dredged material went to landfill. On the Grand Union Canal at Catherine de Barnes, 10,000 tonnes of silt was dredged and used to strengthen an eroded section of the bank. On the Aire & Calder, 18,000 tonnes of material was removed from the navigation in the Leeds area to improve access for freight barges. We also dredged the Kennet & Avon Canal between Copse Lock and Dreweatt's Lock, the Staffordshire & Worcestershire Canal around Wombourne and Kingswinford, the side pounds and wades of the Marple Lock flight on the Peak Forest Canal, and the 1.8-mile Cannock Extension, part of the Birmingham Canal Navigations.

Delivering a good service



This year 786 million unique visits were made to our waterways. 49% of people living within one kilometre of one of our waterways used them regularly. Personal security ratings of people using our waterways was 81% and 82% of towpath users were satisfied.

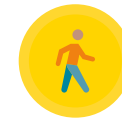
Awareness of our brand among the total population was 49% and among local people it was 59%.

Supporting boaters and boating

Keeping the waterways open to navigation for more than 35,000 boaters is a key priority for the Trust.

- Boating was less impacted by the pandemic but boater satisfaction remained below target at 55% and improving how boaters feel about the Trust and the work we do remains a priority.
- We worked with statutory partners and agencies to make access to universal credit and health services easier for those living afloat on our waterways, as well as expanding our boater welfare team. And we highlighted areas where more support from government and other public bodies would be beneficial to

Above: Little Venice, Regent's Canal



Around 786 million visits were made to our towpaths this year

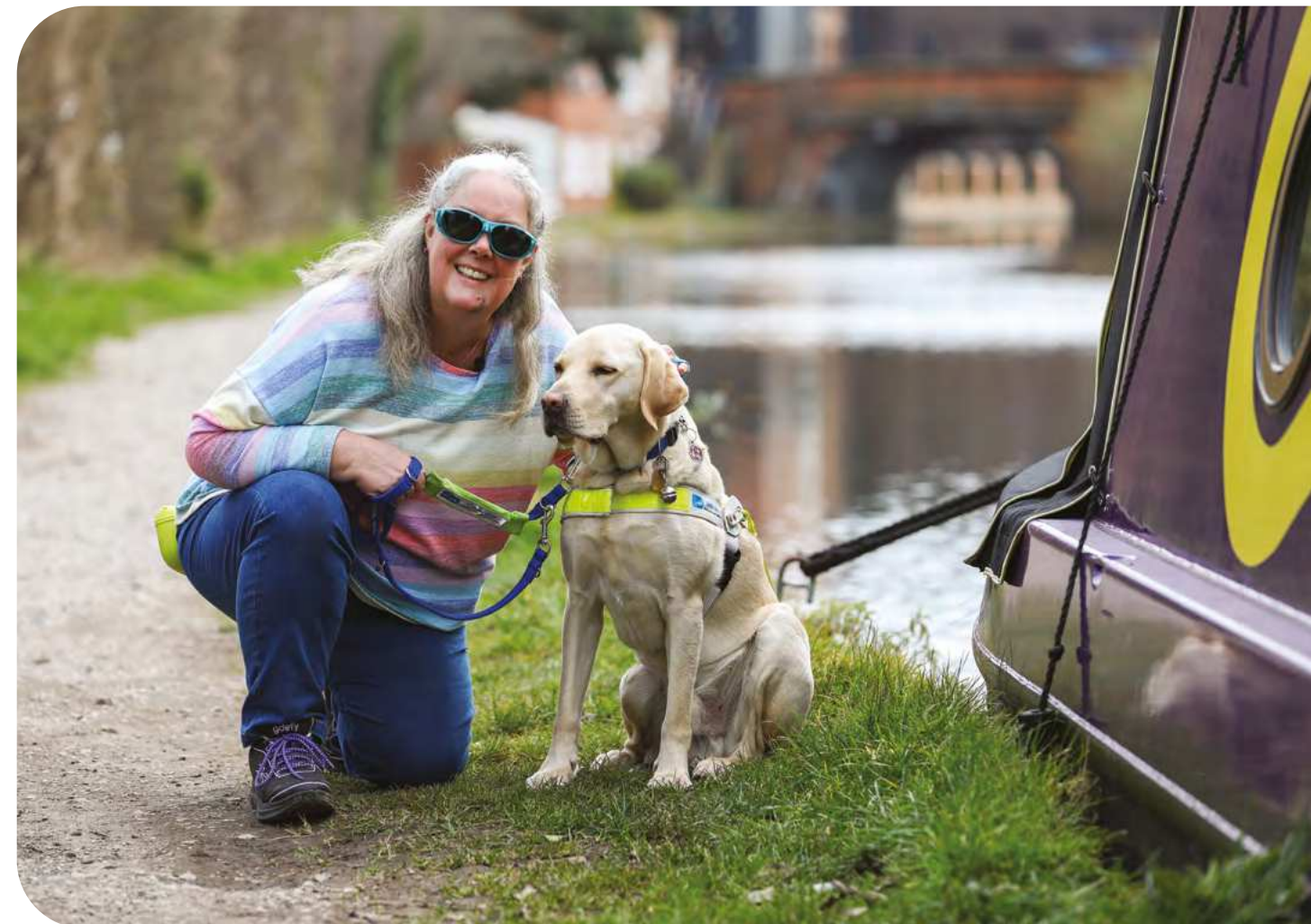
meeting the needs of the growing numbers of liveaboard boaters on our waterways.

- On the Kennet & Avon Canal, a joint initiative with the NHS and Julian House established a Covid-19 vaccine boat at Bradford on Avon. And to help reduce the significant problem of fly tipping, we launched a 'floating tip' refuse collection boat service operating from Bath to Bradford on Avon. A new towpath ranger was also appointed for the area.
- We published accessibility information about our 60 short stay mooring sites on our disabled boaters' webpage. We published a programme of Disabled Boater Forums for 2022 and are developing our accessibility standards. We included sign language interpretation in our forum meetings.
- Over 100 volunteer waterways chaplains now serve on our waterways, helping

Below: Loughborough, Grand Union Canal

boaters with issues such as poverty or health.

- Through our waste contracts we collected over 6,264 tonnes of waste from our waterways, of which 88% was recycled, 7% went to landfill and 5% to waste energy. We spent over £81,000 collecting fly tipped waste.
- We worked with boaters, paddlers and anglers to update and relaunch the Waterway Code, to help all those who share the water to understand and be considerate of each other's needs.
- Following consultation with our boat licence holders, we published updated Private Boat Licence Terms & Conditions, which came into effect on 1 June 2021. As a result of the feedback, we re-wrote our Terms & Conditions to make them as clear as possible and strengthen them to protect both boat owners and the Trust.



- To help improve boating on the River Trent, we held a series of ‘working together’ sessions where boaters could share their knowledge and experience. Topics discussed included communication, signage, maintenance, customer service facilities and how the Trust tackles vandalism and anti-social behaviour. We worked with the Trent Link group to promote the safe navigation of the River Trent.

London Mooring Strategy

In response to increased boat numbers in the capital, our three-year London Mooring Strategy aims to improve moorings and facilities available to boaters, whilst fairly balancing the needs of everyone who uses the capital’s waters, including liveaboard, visiting and trade boaters.

- Working with the London Borough of Islington, supported by funding from Defra, we installed electric charging points at three mooring areas on the Regent’s Canal. The Islington eco-moorings are the first of their kind in England. The use of mains green tariff electricity instead of fossil fuels will enable boaters to cut their carbon emissions, as well as reducing local pollution. We also worked with the London Borough of Camden to install electric charging points at Camley Street. We are planning to install charging points in Brentford and we have undertaken a feasibility study for providing eco-moorings in Paddington Basin.
- We created three quarters of a mile of new towpath mooring space in central London, installing over 150 rings into the concrete edge on the Grand Union Canal, Regent’s Canal and Limehouse Cut.
- In response to the growing use of separator toilets, we funded a pilot scheme for composting waste. Start-up business Circular Revolution is operating the two-year pilot, providing an ‘at your mooring’ service collecting separator toilet waste. The service uses ‘what3words’ to locate boats, so continuous cruisers don’t have to travel to shared collection points.

- Working with an independent facilitator, we set up the Lee Navigation Forum to discuss ways to improve water safety on the River Lee. These include taking steps to explain and enforce our rules and regulations through daily towpath walks and signage, and working towards the introduction of Water Safety zones.

Keeping people safe

- Around 786 million visits were made to our towpaths this year, and each fortnight there are 9.1 million regular visitors to our canals. Unfortunately there were 56 reported public safety incidents across our network. We continue to take steps to promote the safe use of our waterways through a series of programmes and campaigns.
- In partnership with the West Midlands Fire Service and the National Fire Chiefs Council, we launched two new videos explaining what to do if people end up in the water, and reminding people to take extra care while enjoying the waterways during the winter months.
- We ran a ‘Stay Safe by the Water’ summer water safety campaign urging families to stay out of the water and in September we ran a new national pilot for water safety lessons for secondary schools, with 270 pupils from Stockport School. Our Canal & River Explorers team delivered water safety sessions to 49,249 children and distributed over 100,000 water safety activity booklets.
- We have been a founder member of the Manchester Water Safety Partnership for over a decade, working alongside partners from the public, private and charity sectors to improve water safety in the City of Manchester. The partnership works collectively to pool resources and expertise to ensure any communications, campaigns, events or physical interventions have the maximum impact. The success of the partnership in Manchester has been recognised by other districts of Greater Manchester, and the Trust has been pivotal in the establishment of new Water safety partnerships in Wigan and Rochdale. Across the country we partner in a further 16 water safety partnerships.



Above:
Wolvercote,
Oxford Canal

- We held events across our network to promote our ‘Stay Kind Slow Down’ campaign, which urges everyone who uses our canal towpaths, especially those who cycle, to be thoughtful, stay kind and slow down, or find an alternative route. In the West Midlands, we trialled a new speed awareness device to encourage speeding cyclists to reduce their speed. Events using the new Speed Information Displays were also held on the Kennet & Avon Canal in Bath, Devizes and Newbury.
- We worked with Leicester City Council, the Police, the Environment Agency and local rowing club to reduce magnet fishing in Leicester. New signage and social media communication have helped to raise awareness of the dangers of magnet fishing.

Responding to our customers

We work hard to provide a responsive and efficient service to our customers. Across the year our customer service partners answered 84,100 calls, 21,173 emails, 4,529 website live chats and 4,613 social media conversations.

- 87.2% of customers were satisfied with how their query was dealt with, and 83.7% were either completely or very satisfied with the service.
- 99.4% of our licensing related enquiries were resolved at the first contact.
- The Waterways Ombudsman decided on 11 customer complaints during 2021/22. Four were not upheld and seven were upheld in part.

Bringing beauty to your doorstep



Green and Blue Flag awards

We delivered 40 new miles of Green Flag status waterways, including urban waterways in Coventry, Manchester and Stoke on Trent, so 446 miles of our network now hold Green Flag status. Green Flag Green Heritage Site Accreditation was also awarded to: Foxton Locks; the Weaver Navigation from Runcorn to Winsford; and the Shropshire Union Canal from Middlewich to Audlem, and from Barbridge Junction to the National Waterways Museum Ellesmere Port.

Home to more than 30 species of marine life, our Royal Albert Dock and Salthouse

Dock became England's first ever Blue Flag marinas, in recognition of their outstanding water quality and safety.

Fighting plastic pollution

Unfortunately we continue to suffer from a huge amount of litter and fly tipping on our waterways. Each year an estimated 14 million pieces of plastic rubbish end up in and around our canals and rivers. We continue to mobilise volunteers to help us tackle litter, and we are calling for a greater shift of the cost of litter to the manufacturers, retailers and purchasers of the most commonly littered items, including plastic bottles, cans and coffee cups.

Above: Liverpool, Liverpool South Docks



269 schools signed up to our Schools Plastics Challenge

- We continue to raise awareness of plastic pollution on our waterways through our #PlasticsChallenge campaign. In February Half Term, thanks to funding from the players of the People's Postcode Lottery Postcode Climate Challenge initiative, we sent out litter pickers to the first 500 people to sign up for our campaign. A number of celebrities backed our campaign, including: the comedian Bill Bailey; entrepreneur Deborah Meaden; actor Tony Robinson; TV personality and columnist Saira Khan; and TV personality Eyal Booker.
- 269 schools signed up to our Schools Plastics Challenge.
- We teamed up with award-winning garden designer Tracy Foster to create a 'Message in a Bottle' garden at RHS Hampton Court Palace Garden Festival in July, highlighting the positive action society can take to prevent plastic pollution.
- In early 2021 the water level in Brent Reservoir was partially drawn down to facilitate engineering inspections and this revealed extensive debris and

Below: Bill Bailey, RHS Hampton Court Palace Garden Festival

- litter. Local volunteers joined forces and collected 1000 bags of mainly plastic litter, and the Trust recovered larger items using a boat and floating platforms. We are working with the London Boroughs of Brent and Barnet (who own the land around the reservoir), London Wildlife Trust and the Greater London Authority – and with the Welsh Harp joint consultative committee – to develop a Joint Vision for the reservoir. A series of local stakeholder engagement events took place in Autumn 2021 which captured local people's views, and the final report is planned for publication later in 2022.
- In the meantime we successfully secured funding from the People's Postcode Lottery for much needed restoration work to the east marsh, removing encroaching vegetation and reshaping some of the reedbeds to encourage breeding birds to nest. Further funding from the Greater London Authority has been secured for replacement of the life-expired tern rafts, to protect breeding birds from predators.





Case Study – The Great Canal Orchard

Stretching from Wolverhampton to Worcester along the Staffordshire & Worcestershire, Main Line and Worcestershire & Birmingham canals, the 50-mile-long Great Canal Orchard will include thousands of waterside hedgerows and trees. Supported by volunteers, this ten-year project is underway with a wide variety of fruit trees such as cherry, plum, apple and pear already planted. We've also planted rare historic varieties such as the Tettenhall Dick Pear, which originated from the Black Country, but was almost completely lost, as well as exotic species such as peach, apricots, figs, persimmon, loquats, and pomegranates, to take account of the warming climate.

Left: Wolverhampton, Birmingham Old Main Line Canal

- Nottingham Kayak Club helped us to remove a large amount of rubbish fly tipped on the Grantham Canal.

Greening and enhancing biodiversity

- Over 10,000 people took part in our 'Sense in Nature' survey, which asked members of the public to collect valuable conservation data to help us revive nature in urban areas. Our campaign was supported by a number of celebrities, including Dr Amir Khan and Gyles Brandreth.
- Funded by an £8,000 grant from the Environment Agency, and with the support of volunteers from the Manchester, Bolton & Bury Canal Society, we planted a new waterside community orchard and woodland along a towpath near Bolton. The project aims to improve biodiversity, limit the impact of harmful non-native species and help protect the area from flooding.
- As part of our Greening up the Regent's Canal project, and with funding from LNER, we installed a new floating reed raft in King's Cross.
- We took part in a project to restore the rare 'Nottingham Crocus' to green spaces in the city, by planting bulbs along the Nottingham & Beeston Canal.
- Hedgerows provide vital habitats for a wide variety of wildlife, offering shelter and food. We worked with volunteers

at Stoke Bruerne and Crick to fill in gaps and improve over 44 metres of hedgerow at Stoke Bruerne, and a further 45 metres on the Northampton Arm. We arranged a series of hedge-laying training events on the Grantham Canal at Gamston, with volunteers from Friends of Cotgrave Country Park and the Grantham Canal Society, and at Snarestone with the Ashby Canal Association.

Unlocking the Severn

In October, HRH The Princess Royal officially opened the underwater fish viewing gallery for school groups and public tours at Diglis Island on the River Severn, Worcester. The gallery looks out at one of four new fish passes installed as part of the £19.7 million Unlocking the Severn project, which is restoring 158 miles (254 kilometres) of river habitat and opening up Britain's longest river, for both the rare fish that depend on it and communities who live alongside it.

The 100-metre long fish pass took two years to build and is the biggest deep vertical slot fish pass in England and Wales. It has enabled the endangered twaite shad, one of the UK's rarest fish species, to swim past the weir and through Worcester on their spring spawning migration for the first time in nearly 180 years. Project partners include Severn Rivers Trust, Environment Agency, Natural England, the National Lottery Heritage Fund and LIFE programme of the European Union.

Canal Improvement Partnerships

In October, over 100 organisations in Nottingham celebrated the first anniversary of an innovative partnership that has bought major improvements to the Nottingham & Beeston Canal. The Nottingham Canal Partnership aims to make the canal, which runs through the heart of the city, better for people and wildlife. Projects included: installing 100 metres of floating reed bed; street art at Castle Wharf, celebrating the life of Eric Irons OBE, the UK's first black magistrate; social prescribing projects enabling around 100 people to spend time by the water to boost their physical and mental health; planting linear wildflower meadows; repainting seven bridges; community workshops; and Nottingham Contemporary Art Gallery adopting an area of the canal to be used as an outdoor exhibition space.

We launched our Leicester Waterways Partnership at the National Space Centre, bringing together businesses, community groups and local authorities to find ways

to work together to make the waterways better for people and wildlife. More than a third of people living in Leicester live within a 10 to 15 minute walk of the River Soar and Grand Union Canal running through the heart of the city, so there's huge potential to make a big difference to people's lives through improvements to the waterways.

Street Art

We completed our three-year Street Art project, testing a new approach to engage with local people and artists, to build a sense of ownership in their local canals. Working with local communities and artists, five new murals were installed in Sheffield, Walsall, Sefton and Brent between May 2020 and June 2021. This work was funded by the players of the People's Postcode Lottery. Following the success of these projects, we launched new street art trails in Sheffield and Leicester, aiming to decrease graffiti and anti-social behaviour, and to change perceptions of the waterways as pleasant and safe places to visit.

Case Study – Nan's Lounge in Brent

We worked with community members Lorraine and Ki, who were disillusioned with the antisocial elements of their stretch of canal. As well as helping to clear the rubbish, they wanted to feel safer on the towpath and to try to resolve the issue of antisocial behaviour. Working with Lorraine, Ki and other local residents, we commissioned a large-scale mural by local street artists, creating the feeling of a homely living room to help encourage others to ensure the improvement of the space was sustained. As Ki explained: "If you make the lounge/library like my Nan's front room, who is going to leave cans of beer there?"

Below: Brent Street art Mural as seen to the left of the 'Nan's lounge'



Bringing heritage to life

- We worked with the Friends of the Canal Museum at Stoke Bruerne to transform our Canal Museum and its café. Volunteers have played a vital role in the redevelopment of the museum, helping to research and create some of the new exhibits. We invested over £200,000 in the project, and over £67,000 was contributed by Friends of the Canal Museum. Over 30,000 people visited the café last year, with close to half also visiting the museum. A new team of Visitor Welcome volunteers have been working alongside Friends of the Canal Museum to offer visitors talks and tours, and pop-up events, bringing artefacts out of the Museum to show to people visiting the canalside.
- After a year of closure due to the Covid-19 lockdown, in May we reopened our National Waterways Museum at Ellesmere Port. We added a series of new visitor attractions, including: a floating garden funded by players of the People's Postcode Lottery; children's play area; audio trail; and extra outdoor café seating. On Sundays throughout the summer, the museum was transformed into a living heritage

'Canal Town', with volunteers dressed up offering free guided tours, storytelling, street games, family history and horse-drawn boats.

- The National Waterways Museum and Anderton Boat Lift Visitor Centre both retained their Visitor Attraction Quality Assurance Scheme. The Grade II* listed canal warehouse at the head of the Peak Forest Canal at Whaley Bridge came off the Heritage at Risk Register, as did Finsley Gate Wharf in Burnley and the Birmingham Roundhouse.
- Improvements to the visitor experience at the National Waterways Museum at Gloucester included upgrades to the kitchen at the Llanthony Tearoom and updated commentary for the boat trips.
- In March we unveiled a community patchwork quilt of the River Weaver Navigation at the Anderton Boat Lift visitor centre, the first of a series of events planned to mark the 20th anniversary of the major restoration of the historic structure. Over the past 20 years, the lift has provided regular passage for the Trust's own Edwin Clark trip boat, as well as more than 25,000 private boaters. The quilt, which is now



Left: Stoke Bruerne, Grand Union Canal



Above: Finsley Gate Wharf, Leeds & Liverpool Canal

on permanent display to the public, was created by sewing experts from local quilting group, the Cosmic Chicks.

- In March we launched the Sefton Heritage Trail, which follows the route of the Leeds & Liverpool Canal for just under two miles from Litherland to Bootle. Research for the project was compiled by local history expert volunteers. Participants can link into local history information and old photos on the Trust's website via their phones as they move along the canal. It's part of the Trust's Community Roots programme, supported by players of the People's Postcode Lottery.
- Following the transformation of the Grade II Listed stone buildings at Burnley Canal Wharf into a community heritage and learning hub, in August we held an open day with canal boat trips, willow weaving, guided tours and a blacksmith working at the restored forge. The main warehouse, once a major trading hub for the cotton industry, has been converted into the Finsley Gate

Restaurant and Sawmill café bar. There's also a community function room, guest house and garden. The £2.9 million project was funded by grants from the National Lottery Heritage Fund and the European Regional Development Fund, and supported by Burnley Borough Council and the new site management company Finsley Gate Wharf Ltd.

- To celebrate the first anniversary of the £2.2 million restoration of Stainton Aqueduct in South Cumbria, we held a community celebration event, including heritage walks, paddle sports, 10km charity run and temporary exhibition.
- Following the restoration of the Grade II* Listed Birmingham Roundhouse, in partnership with the National Trust, and with support from the National Lottery Heritage Fund and Historic England, we worked with local people, our partners and volunteers to deliver a series of activities and events there, including guided tours of the building, walks, kayak tours and boat trips.

Creating opportunities to improve your wellbeing



Providing wellbeing opportunities

The ongoing support from players of the People's Postcode Lottery has enabled us to continue to provide wellbeing opportunities for millions of people. Projects include personal wellbeing, community engagement, improving access and transforming places into beautiful spaces for local communities.

Wellbeing on the doorstep

Our towpaths offer mostly level routes for active travel with associated health benefits from increased activity, in an environment which avoids congestion, noise and emissions. It's vital our network is maintained and access to it continues to provide these benefits to society. Working with a range of funding partners we continue to upgrade towpaths across our network.

Community Roots

A significant proportion of the Trust's waterways run through some of the most deprived areas in the UK. Funded by the players of the People's Postcode Lottery, our Community Roots programme aims to positively influence perceptions of the waterways and increase use, volunteering and community ownership within metropolitan and urban areas. It aims to make the waterways relevant to the local community to facilitate co-ownership and reduce health inequalities.

During the Covid-19 lockdowns, there was an increase in local use of canals. This increased usage was measured within urban areas, metropolitan boroughs and former industrial towns, including Black Country (Sandwell and Walsall), Pennine Lancashire (Blackburn and Burnley) and Torfaen.

Above: Ladywood, Birmingham New Main Line

Left to right: Stoke Hammond, Grand Union Canal. Birmingham, Tame Valley Canal

Our Community Roots programme runs in nine major urban areas, working with communities which are within a 10 to 15 minute walk of our waterways, have lower levels of wellbeing opportunities and may have limited access to green space. It creates initiatives to meet the community needs, providing them with support, training, and resources to develop interventions, such as litter campaigns, towpath access improvements and arts and sports initiatives.

A sample survey of Community Roots programme participants in July 2021 saw overall happiness increase by 25% in median scores from pre to post activity. Positive trends were also seen when participants were asked how often they felt lonely. Satisfaction with their local area also increased.

Let's Fish!

Our Let's Fish! initiative encourages new and lapsed anglers to try 'catch and release' fresh-water fishing and to enjoy the wellbeing benefits of being by the waterways. It aims to be inclusive, offering sessions for children aged 6+ and adults. It also aims to diversify the sport for the benefits to reach a younger, wider and larger population.

During the 2021 season, there were a total of 8,589 Let's Fish! participants at 452 events. An additional 202 young people attended the national celebration of fishing, held on the Shropshire Union Canal in September. Our research

evaluating the wellbeing effect of a Let's Fish! session found a statistically significant positive wellbeing effect for children and young people. Wider benefits, beyond the technical skills and practical elements of catching fish, include being outdoors in nature and having time and space to reflect.

Community Rehabilitation

As part of the Ministry of Justice Community Payback scheme, we established a new national partnership with the Probation Service, which sees offenders clearing litter and tidying towpaths. This agreement followed research evaluating the benefits of the work for participants, the Trust and wider society, funded by the players of the People's Postcode Lottery.

Working alongside Trust colleagues, offenders are learning new skills and improving their prospect of employment, whilst helping to care for our canals and make them attractive places for local people to enjoy. Justice Secretary Dominic Raab MP visited Birmingham in January to see offenders improving a popular stretch of towpath close to the Alexander Stadium, which will be used by thousands of visitors to the Birmingham 2022 Commonwealth Games. Here offenders completed more than 15,000 hours of unpaid work along the pathway during 2021 and nationally the Trust hosts over 20 probation teams each week on the waterways.



Volunteering work

- We established a partnership with PwC UK that will see staff members donating six days a year to Canal & River Trust to help to improve stretches of canal close to their offices. A team from PwC spent a day along the Birmingham Main Line Canal in Smethwick helping the Trust to plant the world's longest community orchard. PwC workers also took part in a litter pick and helped to clear vegetation as part of work to get the canal ready for the Birmingham 2022 Commonwealth Games.
- More than 60 employees from AstraZeneca in Cheshire have carried out a range of activities on the Macclesfield Canal, as part of the company's corporate volunteering initiative, including planting trees, mending hedgerows and removing unwanted vegetation.
- We worked with employees from the Home Office in Sheffield, Coca Cola at Standedge Tunnel, LNER and Network Rail at Naburn Locks, and Addleshaw Goddard, Leeds Building Society and Tandem Property Group in Leeds.

- Volunteers caring for Hillmorton Locks on the Oxford Canal received a gold award in the Community category of the Rugby in Bloom awards, run by Rugby Borough Council.
- Volunteers lead guided walks in Chester, Ellesmere Port, Nantwich and Macclesfield as part of a three-year Active Waterways project, encouraging over 55s to get active and feel better by water. The project was delivered in partnership with Sport England.
- We hosted a corporate team day for staff from Colas Rail UK and Network Rail at Tyle Mill on the Kennet & Avon Canal in West Berkshire. Activities included bird and bat box making, litter picking and lock painting.
- As part of our project to rejuvenate the Rochdale and Ashton canals through the Green Recovery Challenge Project, we ran a series of community clean-up events on the Rochdale Canal.

Canal Laureate

Together with the Poetry Society we announced our new Canal Laureate Roy McFarlane. Roy grew up in Birmingham

Right: Autism-friendly waterfront festival, Leeds



and the Black Country, surrounded by canals. He said: "I lived, played and loved being by canals and rivers and am looking forward to recapturing those stories: tales of diverse communities in urban settings who lived with canals in their backyard." During lockdown, Roy retraced routes along his local canal towpath and developed a newfound understanding of how waterways can become places for wellbeing and an aid to mental health.

Engaging young people

We are passionate about providing opportunities for the millions of people who have waterways on their doorsteps to experience the many benefits they offer, including young people. Over the past year we have made progress towards the achievement of the POWER of Youth Charter commitments we made in 2020. The Charter aims to increase the number of young people engaging in youth social action and the range of opportunities open to them.

We worked with more partners across different sectors and have embraced different ways of working to increase inclusion and broaden representation. We also diversified our offer, creating more opportunities for young people to engage digitally, remotely and through self-led activities.

- We launched our Youth Fellowship and Young Rangers schemes, and teams across the country delivered our broadest engagement programme ever, with activities ranging from sports to arts, social prescribing to climate action, and citizen science to heritage skills.
- We are working closely with the Inland Waterways Association to ensure that a new generation of passionate waterway-lovers are inspired to protect the future of the canals and rivers across the country.
- At Anderton Boat Lift in Cheshire, as part of our Youth Ranger scheme, a group of 12-16 year olds worked with us to plant a new wildflower meadow, install bug hotels, and build a pond.
- As part of the Leeds Waterfront Festival, in August we hosted a neurodiverse-friendly event in partnership with Leeds Autism Services, at Leeds Dock and Armouries Square. Over 120 active participants engaged in activities including yoga, canoeing, arts activities, a scavenger hunt, photography competition and interactive theatre. A further 1,500 visited stalls and enjoyed activities in the area.
- We've been involved in the EU funded Isolation 2 Inclusion project, uniting



We worked with more partners to increase inclusion



Case Study – Social prescribing on the Nottingham & Beeston Canal

Thanks to an award of £50,000 from the Arts Council England & NASP Thriving Communities Fund and £25,000 Notts ICS Green Social Prescribing pilot, we hosted activities on the Nottingham & Beeston Canal to help 430 people to tackle mental and physical health problems. Activities included canoe and paddleboard sessions, narrowboat experiences, arts activities, cookery classes, gardening and guided walks.

Of the four wellbeing volunteers who helped to deliver the programme, two had previously been socially prescribed the Trust's wellbeing paddle sessions. The project was run in partnership with a number of local organisations, including: Nottingham Community & Voluntary Service; Notts County Foundation; Canalside Heritage Centre; Nottingham Photographers Hub; and local foodbank Himmah.

Left: Nottingham, Nottingham & Beeston Canal



Left: Sheffield welcomes 'Walk with Amal' international arts project

countries around the North Sea to tackle the growing problem of isolation. Overseen by Interreg Europe, the project is funding new approaches to improve health and wellbeing of participants. Working with the Local Care Partnership and other key partners in Leeds and the East Midlands, our waterways have been offered as a place for creating bespoke social prescribing opportunities.

- We worked with Zest community centre in Sheffield to provide a mixture of social action volunteering and fun-based activities for young people during the school holidays.
- In Sheffield, we worked with Good Chance, Handsprung Puppet Company and Sheffield Theatres to arrange for Amal, a giant 3.5 metre puppet of a child refugee to enter the city via the Sheffield Canal. The 'Walk with Amal' international arts project, which travelled from the Syrian border to the UK, aimed to raise awareness of the struggles of refugees. Around 4,000 people welcomed her arrival aboard a canal boat.
- More than 50 Year 9 students from UTC Sheffield's Engineering Department were involved in our year-long project to create a system to remove litter from the canal using canoes. Two winning designs have been made into prototypes

for testing at the community canoe hub at Tinsley.

- In Nottingham, over 70 Nottingham Trent University students spent three days transforming the area around the Canalside Heritage Museum, clearing overgrown vegetation and litter picking.
- We supported Urban Wilderness to deliver a number of art-based activities along the Etruria Canal, encouraging residents from deprived local communities to explore their local spaces. Through micro-bursaries, the young people delivered a socially distanced mini-community festival and website for recycling awareness.
- Working with Spotlight, a creative arts youth service in Tower Hamlets for young people aged 11-19, we funded an eight-week project that encouraged young people to design health and wellbeing projects, and access funding to bring them to life.

Education and learning

- In Rochdale we worked with a group of students from Falinge Park High School, a multi-ethnic school with a catchment that includes some of the most deprived areas in Greater Manchester. Together we created a new wildlife garden at Lock 52 on the Rochdale Canal.

- We hosted Family Fun days at dozens of sites across our network, with activities such as canoeing, paddle boarding, angling, boat trips, live blacksmithing, guided walks, dance workshops and nature trails.
- With funding from the players of the People's Postcode Lottery, we established a Science, Technology, Engineering and Mathematics (STEM) hub for local school children at the Tees Barrage.
- Through our Canal & River Explorers programme we engaged face-to-face with 64,852 children, and 167,643 children were reached through our learning resources.
- We ran an education session and mosaic design workshop with students from Wykeham Primary School in Brent. Pupils learnt about nature on their doorstep and studied eels in the Grand Union Canal.
- The biannual STEM festival, attended by 22 primary schools, took place at our National Waterways Museum in Ellesmere Port.

Below: Norwood, Grand Union Canal



- Twenty Key Stage 2 pupils from Heddington Primary School near Calne enjoyed getting hands-on with nature at six Forest School sessions alongside the Caen Hill Flight of locks at Devizes. Through activities such as bug hunts, making models out of natural materials, striking flints to start campfires, orienteering and building dens, they developed knowledge around the natural world, as well as soft skills like communication, teamwork, assessing risks, and problem solving.

Engaging young people through partnerships

- Our Beat the Street initiative, in partnership with Intelligent Health, aims to increase levels of physical activity, help address health inequalities, and increase usage of towpaths. It aims to promote active travel and improve mental wellbeing amongst participants. Beat the Street generates engagement across multiple media platforms. The game is delivered via a website, where we have seen particularly strong engagement on the mapping and leaderboard pages and in total 45,000 children and young people engaged in our 'Beat the Street' initiative.

- Through Sport England's Tackling Inequalities Fund, we funded three youth projects across Blackburn, providing introductory paddle sessions to more than 300 young people, and training 12 new instructors to make the projects more sustainable. The scheme now provides weekly sessions for over 100 young people.
- In Rochdale we worked with Skill Mill, the award-winning social enterprise which provides employment opportunities for young people aged between 16 and 18. Four young people worked with us two days a week over four months, gaining skills and confidence through completing hands-on practical tasks.
- At Foxton Locks in Leicestershire we supported 38 young people to complete the 'Volunteering Residential' part of their Duke of Edinburgh Gold award. Activities included: creating wildlife-friendly paths; clearing vegetation; maintaining weirs; and assisting the lock keepers.
- Working closely with link workers, partners, funding organisations and

local Clinical Commissioning Groups, we launched our first Youth Social Prescribing project, providing a series of activities aimed at boosting wellbeing and helping young people to improve their mental health. Activities included planting, walking, painting and paddle boarding.

- With the support of Lord Paul Boateng, we launched our 'Black History in the Docklands' project where, as part of our Youth Fellowship programme, seven young people joined us for a year to work on a social innovation project.
- We worked with students from Fairfield Farm College in Wiltshire, a specialist college for students with learning disabilities, to undertake weekly maintenance tasks on the Kennet & Avon Canal at Bradford on Avon.
- We worked with Stoke City Football Club as part of their National Citizen Service programme to enable 15 young people to spend a week working on social action projects in Stoke, including litter picking and painting over graffiti.

Below: Beat the Street encourages outdoor activities



Above: HRH the Prince of Wales, Coventry Canal Basin

- We worked with the Wildside Activity Centre in Wolverhampton and Middleport Matters in Stoke to provide a range of activities to encourage young people from diverse communities to engage with their local canal, including canoeing and conservation sessions.

- We secured the Trust's inclusion in Festival22, the Games Cultural programme, allowing us to host events and deliver our own engagement programmes under this banner.

Coventry City of Culture 2021

We worked with the City of Culture Trust to ensure the 5.5-mile Coventry Canal was a focal point in the 2021 Coventry City of Culture programme.

- We completed a programme of towpath and access improvements and, through our Community Roots outreach initiative, worked with partners to undertake waterway improvements and run a series of events bringing people to the waterside.
- We established a new welcome station in Coventry Basin, as well as extra visitor moorings and a new visitor mooring booking system.
- We ran community adoptions and volunteering schemes with Coventry Mercia Lions Club, Crisis UK, Coventry Big Clean and World Against Single Use Plastic.

Birmingham 2022 Commonwealth Games

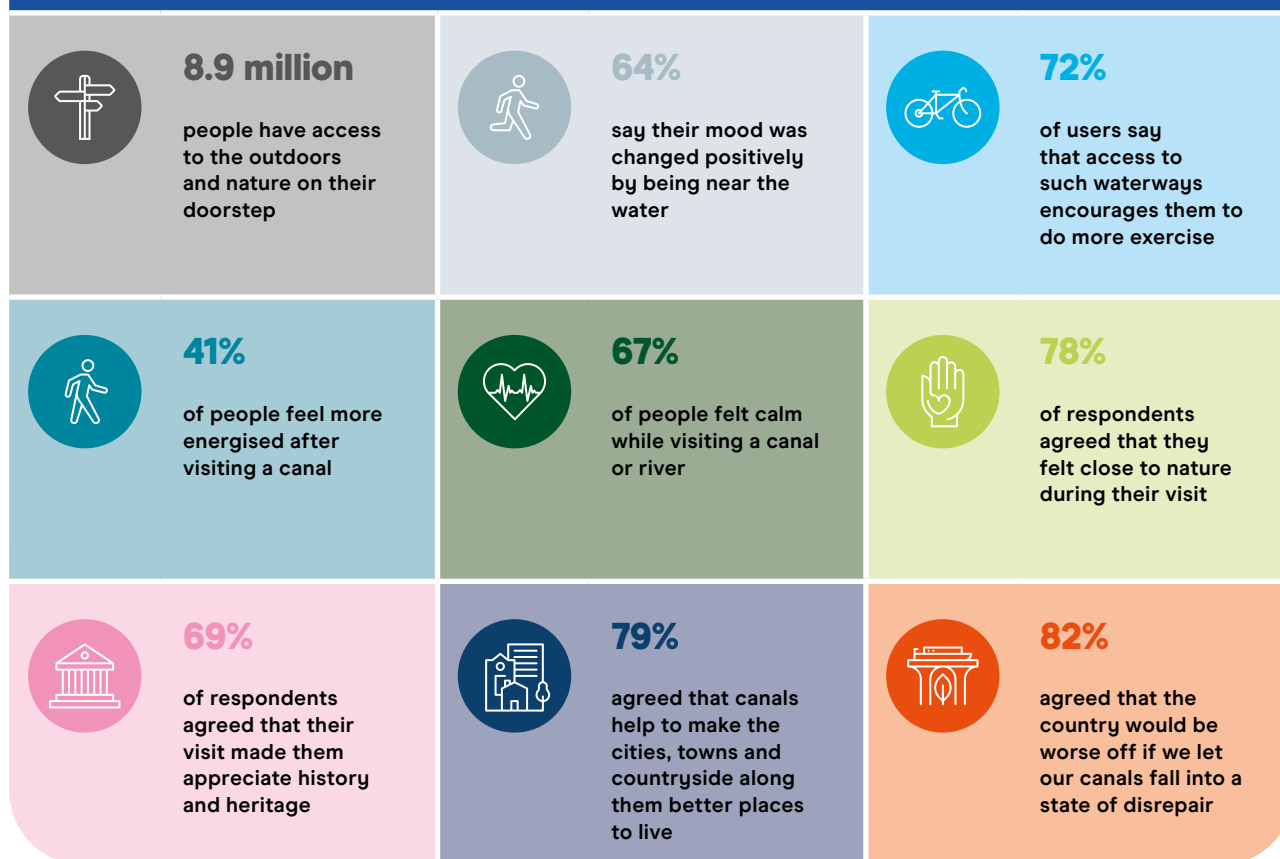


8 Games venues are on or close to our canal network

The Commonwealth Games presented us with an opportunity to increase engagement with and improve our waterways.

- We completed a two-year programme of infrastructure works to improve our local network, including repairing towpaths, improving access points, installing wayfinding signs and carrying out canal clean ups.
- Three key canal routes are included in the Organising Committee's Active Travel strategy and the Trust has become a flagship lead in GEN22, a youth volunteering programme providing opportunities for 16-24 year olds across the region.

Waterway Engagement*



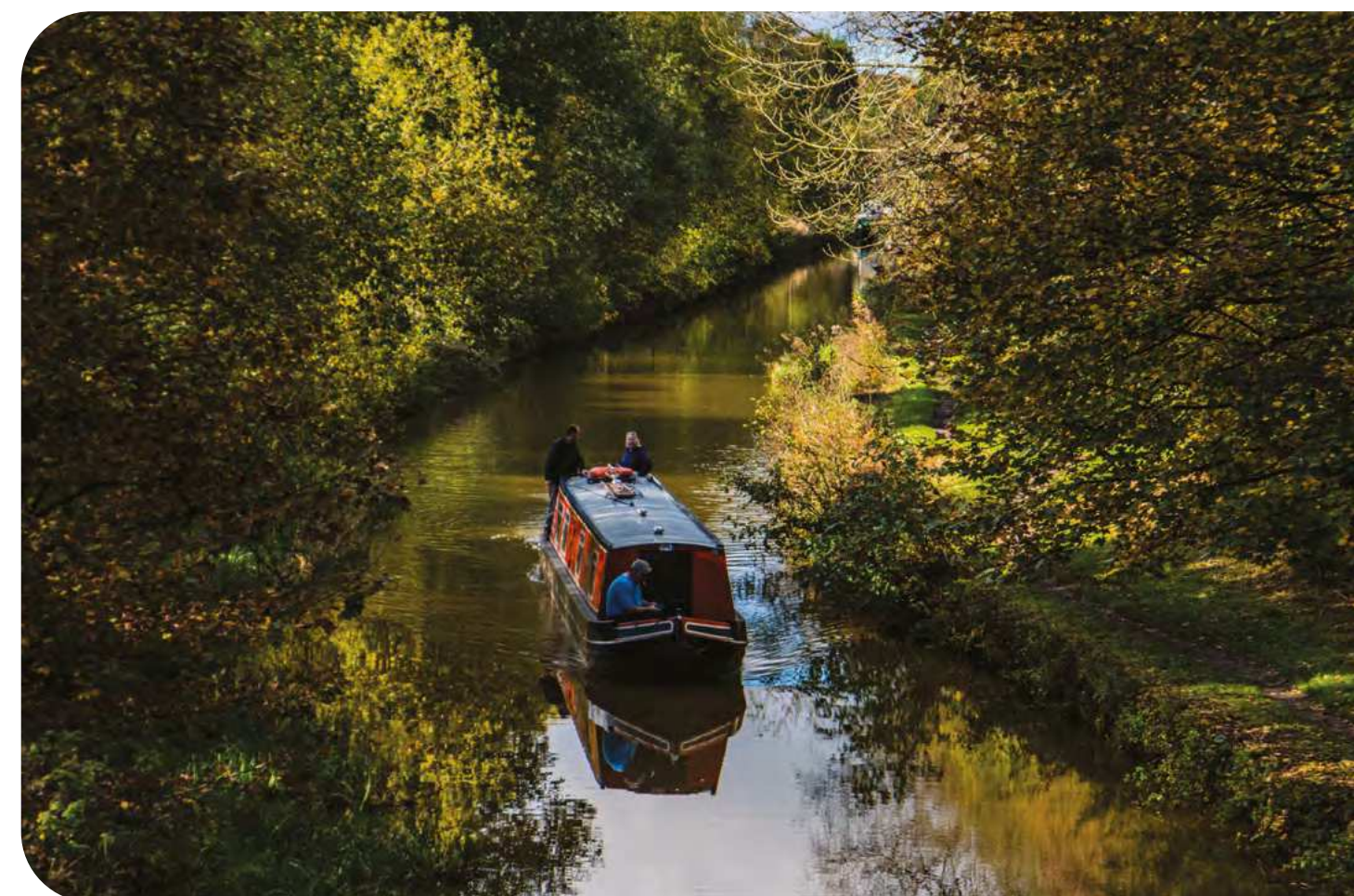
*Waterways Engagement Monitor, a survey panel of 1700 respondents per month..

- Throughout the summer term, we hosted weekly school visits aboard our Learning by Water boat *Tucana* and we worked with a range of partners to deliver a series of waterway-based arts projects, including Studio Morison's 'Small Bells Ring' narrowboat housing a floating library of short stories.
- We hosted a visit from our Patron, His Royal Highness the Prince of Wales, who visited a canalside arts centre before boarding the heritage working boat *Scorpio* for a short boat ride to Coventry Canal Basin.

Waterways and mental wellbeing research

- With funding from the players of the People's Postcode Lottery, in collaboration with Kings College London, NOMAD Projects and J&L Gibbons Landscape Architects, we completed an Urban Mind Citizen

Science study. This bespoke community engagement study was based around a smart phone application designed for the Trust. The main research question was 'Do people experience higher levels of wellbeing when visiting (the Trust's) canals and waterways?' The study ran from November 2020 to May 2021. Participants were asked randomly three times a day to answer a series of questions, including 'How are you feeling and what is the environment around you?' Participants who reported being near a canal or river had higher levels of wellbeing, and this level was higher than other green spaces such as a garden or a park.



Above: Kidsgrove, Trent & Mersey Canal

Science of Scenic Beauty

- Warwick University hosts the 'Scenic or Not' website, where photos of our waterways feature alongside 217,000 rural and urban images. Machine learning has been trained on a set of images of 'Great Britain's pretty places', rated by the public on a scale from 1 (not scenic) to 10 (very scenic). The machine was then asked to rate a large set of images relating to the canal network. This provides a neat way of comparing different types, characters and lengths of canal and other inland waterways, including reservoirs. The Warwick research team has provided an online webpage which maps all the rated images around the Trust network. It is a fantastic resource enabling users to click on the images and compare ratings along a familiar stretch of canal. The ratings have been colour coded for ease of recognition; a darker colour indicates a higher scenic rating.

- As part of our 'Science of Scenic Beauty' study, run in collaboration with a team of Turing Institute Fellows at Warwick University, and funded by players of the People's Postcode Lottery, in October we launched our 'Rate this Scene' campaign. Using photos only of our waterways, hosted on a new Trust website, by the end of the campaign, over 780,000 votes had been cast and just under 11,000 photos uploaded. The research reveals some promising insight into public perceptions of what is 'scenic' and how this relates to the inland waterways.

Generating income



Our trading and investment activities continued to make a significant contribution to our work, generating £134.4 million in income for waterways maintenance and repairs.

The total value of our investments increased by 8.2% to £1,114.5 million. The property portfolio contributed £39.4 million of income, with income return ahead of the market in the year. In the long term, performance including capital growth is ahead of market benchmarks but, during the current year, capital

growth was below the benchmark, mainly as a result of the high proportion of ground rents in our portfolio. Ground rents are very resilient holdings over the long term, but tend to dampen overall performance when the market is strong, as it was in 2021/22, particularly in industrial property. Active management of the portfolio through lease renegotiations and investment in improvements added significant capital value to some assets in excess of underlying market improvements. In our joint ventures, the new development at Hale Wharf (Phase 1) was completed, and Bulbourne Wharf at Tring moved on significantly and is due to complete in 2022/23. Non property investments performed ahead of their benchmarks in the year.

Above: Hale Wharf, Lee Navigation



Above: Brentford, Grand Union Canal

Utilities and water development activities generated £37.7 million with growth ahead of inflation in the year. Additional income was generated by using the waterways for sustainable urban drainage and discussions continued with water companies on potential water transfer schemes.

We also worked with York Guildhall to deliver a water sourced heating and cooling scheme at their site and a number of other potential schemes are undergoing feasibility work, including in Liverpool and London, which we hope

will bear fruit in future years. All these commercial opportunities have the potential to help local communities and companies work towards climate change goals, as well as contributing valuable income to the Trust.

Moorings

Income from our moorings offer continued its recovery from the height of the pandemic lock downs, with good demand for many sites. We also continued to invest in improvements to deliver higher quality offers at 19 sites.



Business Boating

We continued to work closely with the trade throughout the year, and many hire boat operators saw a very successful year, with the pandemic having a relatively low impact on business relative to the previous year. Good progress was made in resolving outstanding lease arrangements with operators, along with supporting wider Trust initiatives at key visitor locations.

Raising our funds

Our income from charitable activities, partners, national and society lotteries, EU funding, our museum and visitor attractions, and third party funded regeneration projects was £38.8m million. We benefited from a number of Government stimulus funds and spending programmes, including the Towns Deal, Levelling Up Fund, Green Recovery Fund, and the Department for Transport's

Active Travel Fund and Kickstart youth employment scheme.

We secured significant support from heritage and cultural funds, including Historic England, the National Lottery Heritage Fund and Arts Council England. Local authorities continued to be an important funding partner, for example we worked with Leicester City and Oxford City councils to deliver towpath improvement projects.

We have benefited from society lotteries, including the players of the People's Postcode Lottery, and corporate partnerships with Goldman Sachs, British Land, Belu Water, Mace, Coca-Cola Europacific Partners, PwC, Clarion Futures, SCC and Severn Trent Water. Our work has been supported by grant giving trusts and foundations, including the Medlock Charitable Trust for our Super Slow Way 'Ripple Effect' project.

Above: Islington, Regent's Canal



Above: Sowerby Bridge, Rochdale Canal

Public support

We continued to meet the challenges of working under various pandemic restrictions. Awareness of the work of the Trust rose to 49%, and overall the total number of regular givers who continued to support us was 27,148.

As we stepped up our post-lockdown towpath fundraising activity, we remodelled our in-house face-to-face fundraising programme to directly employ our fundraisers. We offered new ways to support and engage with the Trust, including contactless donations and newsletter sign-ups.

Over 1.16 million people supported us across all channels. We continued to invest in other areas of fundraising to diversify our sources of income and provide more accessible opportunities for supporters to engage with us.

We successfully ran our second Winter Appeal which raised over £40,000 and we engaged over 4,000 supporters in a study to understand their experience as donors and fundraisers.

We launched our new community fundraising offers 'Let's Fundraise' and 'Challenge Events'. We appreciate all the supporters who have raised money from sponsored challenges and provided feedback on how to develop our offers further.

Legacies

We were grateful to receive gifts in wills from supporters of the Trust who are no longer with us. The bequests from 10 generous donors totalled £303,000, including a substantial legacy of £275,000. We appointed a new specialist in-house employee to increase awareness of our legacy fundraising programme, including taking part in the annual 'Remember A Charity' week.

Wales



Below:
Pontymoile,
Monmouthshire &
Brecon Canal

In October, the Montgomery and Llangollen canals secured over £15.4 million in funding from the Government's UK Levelling Up Fund.

This represents the largest single investment made in improving and securing the long-term future of canals in Wales. The projects to restore a stretch of the Montgomery Canal and deliver visitor improvements along the Llangollen Canal will be delivered in partnership with Powys County Council, Wrexham County Borough Council, Denbighshire County Council, Solutia and a range of partners and volunteers. The investment will benefit local people, heritage and nature and the thousands of boaters and visitors who come to visit Wales each year, as well as bringing economic benefit to neighbouring towns and villages. The funding will focus on progressing the

restoration of the Montgomery Canal from the Wales-England border at Llanymynech to Arddleen, and improving visitor access to the 11-mile UNESCO World Heritage Site stretch of the Llangollen Canal.

Swansea Council completed a section of towpath resurfacing on the Swansea Canal from the County boundary to Coed Gwilym Park. The work received Welsh Government Active Travel funding and joins a section previously improved by Neath Port Talbot Council.

We reopened our Trevor Basin Visitor Centre on the Pontcysyllte Aqueduct World Heritage Site and welcomed over 30,000 visitors, including over 4,500 children. Over 300,000 people visited the UNESCO World Heritage site. At the Centre, we hosted regular events bringing people to the waterside for health and wellbeing and we resumed our schools Explorer education programme in north Wales.

Above: Brecon,
Monmouthshire &
Brecon Canal

In February we restarted our Community Roots programme in Torfaen, which over the next three years will deliver a range of community activities, events and wellbeing opportunities focused around Pontymoile Basin.

Work has continued with colleagues across the Trust to fulfil our Welsh language commitment and develop more bilingual materials, including a bilingual junior Lock Keeper certificate.

As part of the Pont-y-Ddol 'bridge over the meadow' project, we worked with artist Rebecca Chesney to plant a mini wildlife flower meadow on the Monmouthshire & Brecon Canal south of Pontymoile Basin. Native flowers were planted, creating ribbons of colour along the water's edge and providing habitat and food for a variety of insects. Changes have been made to the Trust's grass mowing regime, cutting just a

narrow strip either side of the towpath to increase habitat and biodiversity. Rebecca produced monitoring kits for people to record the plants and insects spotted and note how what they see and hear affects their mood. The project was delivered in partnership with arts organisation Peak Cymru and community interest company In Our Nature, with support from Arts Council of Wales and Colwinston Trust and Arts & Business Cymru. The plants were supplied by Habitat Aid.

In April we launched our three 'Step by Step' bilingual walking trails along the Monmouthshire & Brecon Canal, focused around Brecon and Pontymoile basins and Gotyre Wharf. The initiative, which encourages people to exercise by exploring their local landscape and heritage, is part of Glandŵr Cymru's social prescribing project. The project was funded by Cronfa Dreftadeath, National Lottery Heritage Fund.





Below: Llanellen, Monmouthshire & Brecon Canal

- A Canals, Communities & Wellbeing project based around the Monmouthshire & Brecon and Montgomery canals in Powys has been awarded £840,432 Rural Development Programme funding. The project will improve access so that more local people can use them. It will also provide opportunities for interpretation, enhancing biodiversity and developing nature reserves.
- We secured £128,000 from the Welsh Government's Brilliant Basics fund via Visit Wales, to improve accessibility at Trevor Basin on the Llangollen Canal. We upgraded paths, access gates and entrance points, carried out landscaping works and planted trees to improve the public realm at the basin, within the World Heritage site.

- Swansea Canal Society has secured £99,620 from the Welsh Government Brilliant Basics Fund towards a project to restore the buried lock at Clydach in the former Swansea Council depot site. Swansea Canal Society now owns this site and has asked the Trust to form a partnership to develop the project.
- We secured around £358,000 from the Nature Networks Fund for our Luronium Futures project on the Montgomery Canal Special Area of Conservation, aiming to improve the condition and resilience of the canal for floating water-plantain, a European protected species.



All 35 miles of the Monmouthshire & Brecon Canal were awarded Green Flag status by Keep Wales Tidy

All 35 miles of the Monmouthshire & Brecon Canal were awarded Green Flag status by Keep Wales Tidy, and Swansea Canal Society received the Green Flag Community Award for the sixth year running.

In January, we held a virtual open day on the Monmouthshire & Brecon Canal at Mamhilad, giving people an insight into the work required to maintain our historic waterways. Before undertaking the repairs here, we blocked off a one-and-a-half mile section of the canal and rescued the fish. More than 21 million litres of water were drained from the canal, ready for us to work on some of the bridges, culverts

and sluices. The virtual open day videos explain key aspects of the work, including the fish rescue, dormice surveys, bridge repairs and works to preserve and repurpose a nine-metre long Georgian stone culvert.

Volunteer lock keepers and towpath rangers on the Monmouthshire & Brecon Canal have continued to help to make our waterways better places to visit, with activities such as supporting boaters, litter picking, removing obstructions to navigation, and re-enforcing embankment walls.

In June and July we worked with Y Gaer Museum & Art Gallery to host visits from 58 school children. Hands-on STEM learning activities included water safety, a boat trip, helping the lock keeper and curriculum-relevant guided walks.

Above: Brecon Canal Basin



Supporting our people



Values and engagement

We are working hard to develop our culture and to build engagement and this starts with our values. We strive to care, be open, be inclusive, be local and be excellent in all we do. All colleagues have the opportunity to make a difference, and what we all do matters. We run regular engagement surveys to ensure all colleagues can have their say in how we grow and develop the Trust. This year we achieved 64% employee engagement and we continue to strive to improve this score.

Supporting inclusivity and diversity

Being inclusive makes us stronger together. We are making progress to become more inclusive and we are proud members of Inclusive Employers. During National Inclusion Week we launched a new focus on developing skills, such as

inclusive language and behaviours. We partnered with Ambitious about Autism, Dementia Friends, Age Proud Leeds and Stonewall to deliver 20 different workshops raising awareness of inclusion and diversity in the workplace.

Building on the success of our LGBTQ+ Inclusion Circle, we expanded our support networks to include circles for working parents, menopause support, carers, neurodiversity and multi-faiths. And we have a network of allies who support their colleagues to feel supported and ensure everyone is welcome.

The value of volunteering

Our volunteers are integral to our work and we could not achieve as much as we do without them. We benefited from the support of 3,748 volunteers, delivering 636,122 volunteer hours. Our volunteer engagement was 85%.

Above: Birmingham, Birmingham & Fazeley Canal

Right: Wolverhampton, Birmingham Canal Navigations (Main Line)

Let's Reconnect programme

Following the lifting of pandemic restrictions, to help colleagues and volunteers re-connect with each other, our Let's Reconnect programme aimed to develop confidence in colleagues and volunteers to meet face to face socially.

Wellbeing

Our colleagues have shown incredible resilience, navigating the impact of the pandemic and a number of severe weather events. Our approach to wellbeing incorporates people policies, colleague benefits, development, initiatives, occupational health, employee assistance programmes and accreditations.

- 81% of colleagues said they believe their manager genuinely cares about their wellbeing.
- We continued our focus on promoting mental health resources.
- We provided support for colleagues to understand the psychological impacts of Covid-19 and personal resilience.
- We renewed our Mindful employer charter.

- We were finalists in the CIPD People Management Awards 2021.

We updated our trade union agreement and our policy on how we engage, support and supervise volunteers. And we have agreed a new code of conduct for Trust colleagues, launched in May 2022.

Careers and development

We understand the importance of investing in our colleagues and we are dedicated to helping our people gain the right exposure to propel their careers forward.

- We launched a new mentoring programme to nurture and retain our best people.
- We introduced a new civil engineering graduate scheme.
- We welcomed 28 new apprentices, developing critical skills in carpentry, waterway environment work, engineering, content producing and cyber security.



Kickstart

We took part in the Government's Kickstart scheme, offering six-month placements to young people aged 16-24 who were claiming Universal Credit and are at risk of long-term unemployment. The Trust provided opportunities for 45 Kickstarters in our first phase, and a further 23 in our second phase.

Kickstarters worked with our experienced teams, learning a range of skills to equip them for work in conservation, heritage, environment and waterways. As well as providing benefits to the Kickstarters themselves, the scheme enabled the Trust to undertake extra work, and gave existing colleagues the opportunity to improve their skillsets. 98% of our Kickstarters in

the first phase agreed or strongly agreed they felt a sense of achievement: they all agreed or strongly agreed they felt they belonged to their local area.

We were delighted to offer apprenticeships to 22 of our Kickstarters.

Empowering and supporting young leaders

Our Youth Fellowship Programme enables young people to be formally involved with the Trust and provide a 'youth voice' that influences our decision making. All our 'Fellows' are aged between 16-25 and they all bring a unique, fresh perspective to help us shape the future direction of our organisation.

Below:
Wolverhampton,
Birmingham
Canal Navigations
(Main Line)



“Our Youth Fellowship Programme enables young people to be formally involved with the Trust and provide a ‘youth voice’ that influences our decision making.”

Safety

We introduced a new accident and incident reporting system 'SafetyLog' developed by our IT team. The number of reported incidents on our network was 56 (compared to 53 last year). Looking at our internal safety, our accident frequency rate expressed as the number of accidents per 100,000 hours worked was 0.57 (compared to 0.25 last year).

Our annual safety awards were presented at our Safety Conference in November. The winners were a team from the West Midlands who identified the need for and procured work equipment which reduces exposure to noise and vibration. The runners up were from London and the South East, where they introduced use of body worn cameras for customer service employees whose role includes day-to-day interaction with towpath users. This project was in response to the tragic loss of our colleague Clive Porter, from our South East Boat Licensing Support Team, who died in April 2021 on the Grand

Union Canal towpath near Aylesbury. In February 2022, following a trial at Reading Crown Court, a man was convicted of Clive's murder. Our thoughts remain with Clive's family, friends and colleagues

Awards

Our annual volunteer awards, delivered in partnership with the Marsh Charitable Trust, celebrate volunteer excellence along our waterways. Retired health professional Thelma Edwards from Devizes was one of the volunteers recognised this year. Thelma started volunteering with the Trust as a Volunteer Lock Keeper on the Caen Hill flight on the Kennet & Avon Canal in 2012. Since then she has given us over 2,500 hours of her time, developing her volunteering in many different roles, including becoming Lead Volunteer for The Admiral Welcome Boat.

36 colleagues celebrated their long service awards, totalling around 1,000 years of service.

Climate and sustainability



Canals are helping to mitigate the impact of climate change

Our historic network is facing many challenges from the changing climate, but it is also helping to mitigate the impact of climate change, and to meet net zero goals.

With the right investment, our waterways can continue to play an important role in meeting the aspirations of COP26. They can cool cities in summer, heat homes in winter, provide low-carbon energy, a network to move goods and materials, move water from areas of plenty to areas of drought, offer sustainable transport routes and connect wildlife habitats to help to address biodiversity loss.

We have benefited from over £2 million funding from the players of the People's Postcode Lottery through its Postcode Climate Challenge Initiative, and have been working with partners on a range of projects that support the decarbonisation agenda and tackle the physical effects of climate change.

Heating and cooling

Water-sourced heat pumps have the potential in the UK to heat and cool a quarter of a million waterside homes, as well as other commercial buildings, saving well over a million tonnes per year of CO₂ entering the atmosphere. The technology is helping to heat and cool buildings at large commercial sites such as York Guildhall.

Cooling urban areas

Research published by the University of Manchester in 2019 shows the presence of canal water in urban areas can also cool overheating cities, by up to 1.6 degrees Celsius in a 100-metre-wide corridor along the waterway. The research conducted across Birmingham, London and Manchester shows reductions in summer temperatures, without undesirable cooling in winter. It demonstrates the importance of choosing the right type, height, scale and location of buildings to maximise the benefits.

Above:
Nottingham,
Nottingham &
Beeston Canal

Case study – Developing a Green Recovery network along the West Midlands' canals

In July, we received a grant of over £1.7 million from the Government's Green Recovery Challenge Fund to develop a nature recovery network across the West Midlands. Work is underway to deliver environmental enhancements, including the creation of wildlife corridors reconnecting fragmented habitat for endangered species, such as water voles. Over 50 miles of canals will be improved, linking seven nature reserves. Seven SSSIs will be enhanced and a 16.5-mile-long community orchard will be planted between Birmingham and Wolverhampton. Canals around the Commonwealth Games sites will be improved, helping to make it the greenest games ever.

The canal project has also formed a partnership with the Council for Learning Outside the Classroom, supporting up to 500 schools with environmental learning, to inspire the next generation. Eight new environmental roles and four apprenticeships have been created. Walsall, Wolverhampton and Worcestershire local authorities are all part of the partnership.

Top and bottom: Smethwick, Birmingham Main Line Canal



Low-carbon energy

Our waterways support hydro schemes generating around 21MWh per year, the equivalent energy for around 6,500 homes, with the potential to create a further 17MWh of hydro power for adjacent buildings and developments.

For example, at the Nether Weir hydro-electric power plant on the River Trent, the single 70KW Archimedes screw generates enough energy for 175 homes each year and provides electricity for the local Kings Marina. It is one of 12 hydro sites on the Canal & River Trust's network.

Water supply and land drainage

Three of the UK's five wettest winters on record have occurred in the past nine years, causing flood damage as intense storms follow in close succession. Our waterways accept over 2,500 drainage discharges, relieving the strain on overflowing urban surface water systems. The network offers the opportunity for new sustainable urban drainage schemes

to connect to waterways to remove surplus surface water. It also plays an important role in transferring water. We are working on a new strategic scheme with Affinity Water and Severn Trent Water to transfer up to 100 mega litres per day of water from Birmingham via the Grand Union Canal to Leighton Buzzard.

Active travel

Our towpaths provide off road routes for walking and cycling, improving health outcomes and air quality. We've worked with funding partners and local authorities to lay all-weather surfaces on sections of our towpaths in Birmingham, Chester, Gloucester, Leicester, Market Drayton and Oxford. In total over 13.7 miles (22 kilometres) have been upgraded, including a 0.7 mile (1.2 kilometre) stretch of the Shropshire Union Canal at Market Drayton, part funded by a grant from the European Agricultural Fund for Rural Development Rural Tourism Infrastructure programme.

Moving freight by water

Moving freight on larger commercial waterways remains a green alternative. Thousands of tonnes of freight are moved every year on canals and rivers, removing hundreds of articulated lorry journeys from the roads.

We are taking steps to increase the amount of freight transported on the Aire & Calder Navigation, including working on our plans to establish an inland port at Stourton, near Leeds. We spent £3 million repairing a breach on the Aire & Calder near Goole and allocated £600,000 of dredging to support the movement of freight on this waterway.

Nature recovery

Many waterside habitats have become fragmented or have vanished from the countryside entirely, making canals especially valuable habitats and much-needed corridors for wildlife. For some species, waterways are among their last remaining strongholds and, for many others, they provide vital resources now scarce in the wider countryside. Canals and rivers are helping to slow the loss of wildlife in the UK, helping to connect isolated natural habitats. For example,

Nottingham is embracing its waterways to help achieve its goal of becoming Britain's first carbon neutral city by installing floating reed beds on the canal, absorbing carbon and attracting wildlife into the heart of the city.

Sustainable boating

The Government's Clean Maritime Plan states that by 2025 there must be a plan in place to ensure that all vessels, including those on the inland waters, are able to meet the zero emissions target by 2050.

The Trust is committed to working towards a zero-carbon future for boating on our inland waterways, recognising that this needs to be a collaborative effort involving boaters, businesses, local authorities and government. Our boating customers have a very broad range of needs, and we aim to find the right solutions to help them transition to zero-carbon without any significant changes to their use and enjoyment of the waterways.

We believe that the rapid adoption of renewable fuels such as HVO (Hydrotreated Vegetable Oil) would reduce carbon emissions from the running of existing boat engines in the

“The Trust is committed to working towards a zero-carbon future for boating on our inland waterways”

short-term, while not requiring changes in either engines or supply infrastructure.

In December, we started a trial of HVO fuel in our urban litter boat 'Berkswell' in Birmingham. HVO has 30% lower nitrogen oxide outputs than fossil fuel diesel and reduces particulate emissions by nearly 90%. The work boat has operated well, with no issues, so we have begun rolling out the use of HVO fuel for all our workboats.

Developing our Transition to Net Zero Strategy

The Trust is subject to a number of mandatory energy and carbon emission reporting requirements, including the UK Government's Streamlined Energy and Carbon Reporting policy, which came

into force 1 April 2019, and the Energy Saving Opportunity Scheme. Beyond these mandatory schemes, we have recently completed a carbon footprint data exercise to expand our emissions accounting to include Greenhouse Gas Protocol Scope 3. We have commissioned Carbon Intelligence to establish our wider carbon footprint to include Scope 3 emissions, and to help develop our transition to net zero strategy and route map.



Case study – Green biodiversity boost for Manchester’s canals

Manchester’s city centre canals have been given a great green biodiversity and wellbeing boost thanks to the Government’s Green Recovery Fund.

We’ve worked with volunteers, community organisations and youth groups to deliver a community project to green up the Rochdale and Ashton canals running through the city centre. Over 600 metres of hedgerow and new rowan, crab apple and ornamental cherry trees have been planted, as well as wild flowers, spring bulbs and flowering shrubs. Seventeen large planters have been installed and a new reed bed has been established in Piccadilly Basin. All along the waterway, there are new pocket-sized community vegetable gardens, linear orchards and wild flower meadows, improving biodiversity for plants and animals, and air quality for local residents and workers.

Top to bottom: Manchester, Ashton Canal

Case study – Solar lights in Wolverhampton

To improve walking and cycling routes in Wolverhampton, in partnership with the City of Wolverhampton Council, we installed solar-powered lights along six miles of our towpaths. The new eco-friendly lights are along the Birmingham Main Line Canal from Coseley to the bottom of the Wolverhampton Lock Flight, and on Wyrley & Essington Canal from Wolverhampton Train Station to Bentley Retail Park.

The project was part funded by Priority 4 of the European Regional Development Fund, which supports the shift towards low carbon economies. Each of the 1,000 lights has been fitted with special 'bat hats' to ensure the lights don't distract bats from hunting and navigating along the canals.

Right: Wolverhampton, Birmingham Old Main Line Canal



Our performance

We measure our performance against our internal key measures incorporating our Defra Waterway targets as outlined below:

Defra Waterway targets – improving our waterways/assets (Defra targets are explained in more detail on pages 87 and 88)	2020/21 Actual	2021/22 Actual	2021/22 Target
Towpath condition Grade C or better ^a	81.3%	81.4%	80.0%
Principal assets grade C or better ^a	87.1%	87.1%	86.5%
Condition of flood management assets grade C or better ^a	99.4%	99.5%	99.0%

Waterway measures			
Boating customer satisfaction	54%	55%	67%
Visitor satisfaction	84%	82%	86%
Regular visitor numbers to reach each fortnight (from our monthly surveys)	8.3m	9.1m	9.5m
Number of visits	743m	786m	N/A
Public safety measure – number of reported incidents on our network	53	56	30
Internal safety measure – accident frequency rate expressed as number of accidents per 100,000 hours worked	0.25	0.57	0.20

Employee and engagement measures			
Employee engagement	67%	64%	72%
Volunteer engagement	74%	85%	76%
Volunteer hours	236,803	636,122	600,000
People aware of the Trust	48%	49%	50%
Friends actively donating to the Trust each month	27,721	27,148	35,000
Diversity – % employees Black, Asian and minority ethnic	4.8%	4.7%	6.0%

^a A structure in condition A is in a good state of repair and one in condition E is in a bad condition.

2021/22 was an unsettled year on many fronts and this is reflected in our performance against many of our targets, especially with regard to boater and colleague (employee) satisfaction.

We were pleased to be able to maintain or improve the condition of our towpaths, canals and other assets, however the increase in reported safety incidents shows there is more to do and this will continue to be a key area of focus.

Looking to the future

Purpose & Strategy – to be a Trust for the Waterways and Wellbeing

Our long-term vision – living waterways that transform places and enrich lives – is founded on the conviction that our waterways have a significant role to play in helping to address many of the societal challenges faced in the 21st century. The more people who appreciate the wellbeing benefits of the waterways – for people, places, nature and the planet – the more support the Trust can secure for long-term future care of the waterways.

Our waterways affect individual, community and national wellbeing and can help tackle inequalities, particularly for those diverse, economically disadvantaged urban populations in England and Wales. Around 9 million people live within one kilometre of our waterways, and over 60% suffer some measure of deprivation. Over 2 million households experiencing wellbeing inequalities have access to, and the potential benefits of, a waterway within a 10 to 15 minute walk of their home.

Waterways as accessible and contiguous blue/green infrastructure have a role to play in helping to address the national crises in Public Health, Biodiversity and Climate Emergency. They also help to address the urban green space deficit and lack of private garden space, highlighted by their vital role in the Covid-19 pandemic, providing access to outdoor space and nature on the doorstep for millions of people.

However, the contribution that waterways continue to make in the future is dependent upon the resilience of the historic waterway infrastructure, and keeping the waterways and towpaths safe, secure and inviting places to visit and experience.

Our strategy involves looking after the waterways in our care so that our basic service ‘offer’ to all users and visitors is delivered safely, reliably and efficiently, so that many millions of people can then benefit from this free, accessible and local source of greater health, happiness and wellbeing.

Our Vision has been unchanged since 2014, and our long-term strategy remains focused around the virtuous circle: as a Trust for the waterways and wellbeing. The diagram below describes how the dual components of our strategy interface to create a 'virtuous circle' and the wide range of economic, social, environmental and cultural benefits (six outcomes areas) to society that waterways are delivering to improve the wellbeing of individuals, nature, economy and the planet. The more people who appreciate the wellbeing benefits of our waterways, the more support we can secure for their long-term future care, and the more resources we will then have available for the maintenance and repair work that such old and vulnerable infrastructure demands.



The table below outlines the six strategic goals and pillars on which our strategic plan is based and which will deliver the diverse range of public benefits (six outcomes areas).

Our Vision is underpinned by six strategic goals and pillars

- Delivering a satisfying user experience**
 Satisfied users and visitors, on water and by the water. Measured through: the volume of visitors; their satisfaction ratings; and our public safety record.
- Caring for our waterways and the environment**
 Our network is safe, available and resilient, conserving its heritage and environment. Measured through: the safety of our colleagues; the percentage of High Risk Assets in lowest condition categories; and Defra Waterway Targets on Asset Condition.
- Growing our investment and income**
 Managing our endowment to generate long-term growth and good annual returns, whilst generating increased commercial and charitable income to support our work and achieve financial sustainability.
- Improving individual and community wellbeing**
 Making sure local people are aware of, value, use and benefit from their local waterway. Measured through: the number of people using their waterway who live within a 10 to 15 minute walk (1 kilometre); how people living within 1 kilometre value their local waterway; and how many users feels safe by the water.
- Growing our brand, supporters and influence**
 The Trust is a well-supported household brand and waterways are widely seen as a cherished national treasure. Measured through: brand awareness (nationally and within 1 kilometre); and supporter growth.
- Developing the Trust's capability and culture**
 An effective and efficient organisation, with engaged colleagues and a shared purpose. Measured through: diversity of our workforce; colleague engagement (employees and volunteers); and the number of active volunteers and volunteer hours.

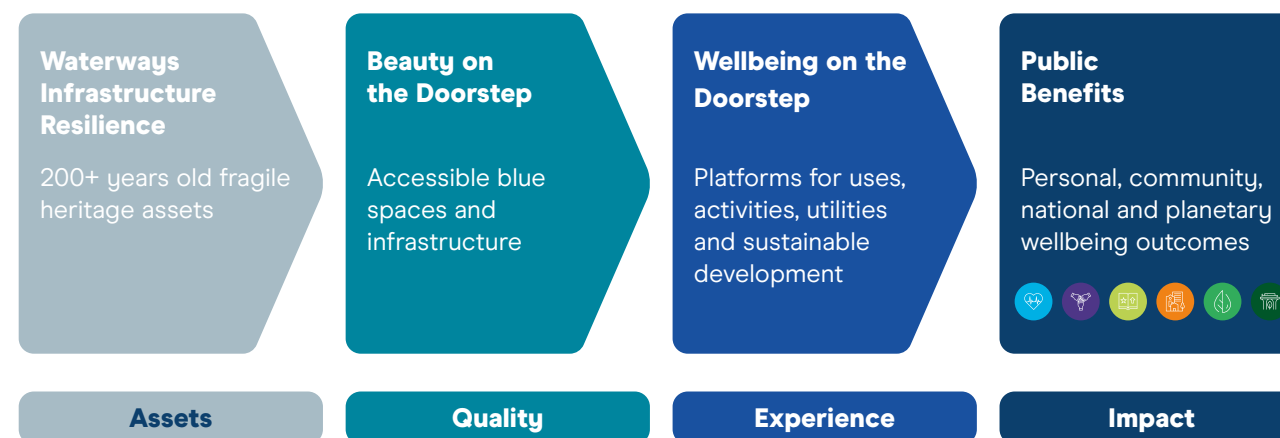
We will be focusing our resources and activities during 2022/23 on the following 10 priorities which will help achieve our six strategic goals and pillars and deliver the wide range of public benefits for society.

Our Priorities for 2022/23

<p>1. Asset Resilience – Maintaining and improving our asset resilience in the face the growing impact from climate change. Meeting the dates of our statutory reservoir improvements and reducing the risk from our assets as quickly as possible. Delivering our planned core infrastructure and maintenance programme.</p>	
<p>2. Health & Safety Culture & Performance – Improving the health and safety culture within the Trust, and improving our public and colleague safety performance.</p>	
<p>3. Brand Awareness – Growing the Trust’s brand awareness to increase our supporter base, including maximising the potential reach at the Birmingham 2022 Commonwealth Games and reaching our target of 1.4 million supporters.</p>	
<p>4. Support for Government Grant Review – Building, galvanising and mobilising political, partner and public support for our Government Grant Review and beyond.</p>	
<p>5. Local Use & User Satisfaction – Growing the number of local people using our waterways and participating in our activities through the delivery of our Beauty on the Doorstep and Wellbeing on the Doorstep programmes. Delivering high customer satisfaction for those using our waterways and towpaths, notably improving boater satisfaction.</p>	
<p>6. Volunteering & Community Adoption – Increasing volunteering to support our work, and mobilising local communities to help care for our waterways, including improving our volunteer offers and journey, building on the success of our #PlasticsChallenge campaign and expansion of our programme of Citizen Science projects.</p>	
<p>7. Income Generation – Growing our income from commercial and charitable sources, and securing a satisfactory long-term grant determination.</p>	
<p>8. Sustainability, Environment & Climate Action – Responding to the climate and biodiversity emergencies, and positioning ourselves in the vanguard of climate action and nature recovery. Exploiting renewable energy opportunities (for income growth and UK transition to net carbon zero), and biodiversity net gain (BNG) opportunities. Key activities include developing our transition to net zero strategy and route map in conjunction with Carbon Intelligence, mapping our ecological footprint as part of our work to prepare for introduction of BNG in Autumn 2023 and implementing our waterway resource strategy.</p>	
<p>9. ‘Fit for the future’ – Making the Trust ‘fit for the future’ and equipped to deliver our ambitions, including publication of our ESG policy and commitments, information strategy to upgrade systems and deliver efficiencies, and transformation projects linked to how we organise our delivery and operations.</p>	
<p>10. People Strategy Implementation – Developing and supporting our people and the organisation. Implementing our People Strategy to deliver better engagement and greater capability.</p>	

Pathways to Wellbeing – delivering our vision and public benefits

As said, our waterways are delivering a wide range of economic, social, environmental and cultural benefits to society, improving the wellbeing of individuals, nature, economy and the planet. The pathway to deliver these public benefits is critically dependent upon maintaining the condition and improving the resilience of our network infrastructure so that canals and river navigations are kept safe and available, are inviting places to visit and use, and securely support third-party investment and vital public services and utilities. This is illustrated in the diagram below.



Maintaining & Improving Waterway Resilience

The Trust’s former industrial canals and river navigations are today playing a hugely important role in society and are enjoying a second golden age. They are valued by people as never before, but they remain one of the oldest critical infrastructure networks in the world and are under growing pressure from climate change.

Increasing extremes in weather patterns are bringing considerable challenges to this ageing infrastructure which the Trust, working with partners in government, needs to overcome to maintain the resilience of this infrastructure and, ultimately, protect public safety.

Beauty on the doorstep – Removing the barriers to use

The benefits from green and blue spaces are dependent on people’s feelings of safety and the quality of the environment around them. There is evidence that people associate cleanliness of the environment with safety.

Insights gathered indicate that to achieve our ambitions around growing our users and supporters, as well as being local and reflective of our communities on the doorstep, we need to address perceptions of being in an unsafe and unpleasant environment by:

- 1) maintaining the status of existing Green Flag waterways and securing new Green Flag Awards for our urban waterways; and
- 2) tackling ‘Broken Window’ syndrome, eradicating ‘No-Go’ areas, and engaging with partners in crime prevention and water safety.

Wellbeing on the doorstep – Extending our reach

As demonstrated in the earlier sections of this report, the Trust is involved in a wide range of community engagement and outreach work and has ambitions to continue to grow these programmes throughout 2022/23, including the continuation of our People's Postcode Lottery-funded Community Roots programme, the expansion of our "Let's ..." programme, as well as externally funded participatory programmes supporting art and culture, social prescribing, sport, recreation and nature conservation.

To successfully deliver *Beauty on the Doorstep* and *Wellbeing on the Doorstep* with limited funds and resources, we are seeking to:

- Empower local communities and individuals to get involved in caring for their local waterways;
- Embrace new models to deliver more community outreach by working with others;
- Increase our partnership working to access funding and free resources;
- Broaden our volunteering and social action offers locally; and
- Expand our learning and engagement opportunities for children and young people.

Valuing Our Waterways (Public Benefits)

The waterways and the activities and interventions made by the Trust deliver a wide range of public benefits, benefitting individuals, local communities and businesses:

- Annual Welfare Benefits generated, including NHS savings;
- Protection offered by Trust assets being in good condition, including flood management, hosting third party infrastructure such as utilities, and supplying water for drinking, agriculture and industrial processes;
- Contribution to the economy through the inland marine economy and as corridors for growth, housing, regeneration and investment.

We continue to work with partners from across academia as well as with economists, behavioural scientists and social research specialists on a wide range of insight, research, evaluation and valuation activities to understand the economic and social impact and value of our waterways to society.

Environment, Social & Governance Reporting

Achievements

In recent years, large organisations across the private, public and third sectors have started to assess and report on their impacts and contribution to wider environmental, social and governance (ESG) considerations. As a charity which exists to deliver its charitable objects which encompass many ESG aspects, the Trust believes it is well placed to make a significant contribution in these areas.

As a charity and large company limited by guarantee, the Trust is already obliged to include both a statement under section 172 of the Companies Act 2006 to show how the Trustees have had regard over the financial year to interests of its various stakeholders, including employees, suppliers, customers, the wider community and the environment. This statement is included below at page 66.

The Trust is also obliged to report its regulated emissions and energy efficiency action over the year under the mandatory Streamlined Energy and Carbon Reporting scheme. This report is included below at page 70.

In addition to these mandatory reporting schemes, over the past 12 months, the Executive and the Board (having previously consulted with the Council in 2020) have developed a framework in order to bring together the Trust's wider ESG activity and to enable us to focus on particular areas and future commitments.

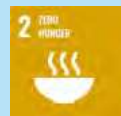
Taking the 17 UN Sustainable Development Goals ('SDGs') as a starting point, we have identified highlights in terms of key recent achievements and contributions towards each goal that the Trust has made in recent years. This is set out below:

Achievements Against UN Sustainable Development Goals



End poverty in all forms everywhere

- All Trust employees are paid at least the National Living Wage.
- We offer payment plans for boat licence customers in financial difficulties.



End hunger, achieve food security and improved nutrition

- Our canals and rivers supply water to adjacent arable and livestock farmland.



Ensure healthy lives and promote well-being for all at all ages

- Our canals provide around £1bn in savings to the NHS each year through physical health and wellbeing benefits.
- Our recent Value of Volunteering report provides evidence of the big impact on health and wellbeing through volunteering with the Trust.
- We create many opportunities to improve individual and community wellbeing, including access to outdoor activity through our 'Let's' programmes and social prescribing projects.
- We are fully committed to supporting colleague safety and wellbeing.



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

- Our youth engagement and education activities include our Explorers programme, water safety and on-line learning resources.
- We have a Youth Fellowship programme and are making progress towards our POWER of Youth Charter commitments.
- We help bring heritage to life through our museums and open days.



Achieve gender equality and empower all women and girls

- We have a positive gender pay gap.
- Our colleague support networks have an inclusion circle for menopause support.



Ensure availability and sustainable management of water and sanitation for all

- We are playing a vital role in water supply and transfer.

Achievements Against UN Sustainable Development Goals



Ensure access to affordable, reliable, sustainable and modern energy for all

- We purchase 100% green tariff electricity.
- Our waterways support hydro schemes generating around 21MWh per year, with the potential to create a further 17MWh.
- Water sourced heat pumps are helping to heat and cool buildings at a number of large commercial sites.
- Our fleet of around 500 vehicles now includes four electric vehicles, one full hybrid and 10 mild hybrids. We have three battery powered craft, Euro 6 engines, we are trialling the use of HVO fuels on our workboats and are moving to battery-powered tools.



Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all and avoid discrimination

- 68 Kickstarters have joined the Trust, with 22 continuing with us as apprentices.
- Our Modern Slavery Statement sets out our continued commitments to combat modern slavery and human trafficking.



Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

- We continue to work with funding partners to upgrade our towpaths for active travel.
- Our network carries around 600,000 tonnes of waterborne freight per year.



Reduce inequality within and among countries

- The Trust's waterways have secured over £15.4m from the Government's Levelling Up Fund.
- We host a Disabled Boaters' Forum and have over 500 Equality Act reasonable adjustments in place for continuous cruisers with a disability.
- We are making progress to become more inclusive and are members of Inclusive Employers.



Make cities and human settlements inclusive, safe, resilient and sustainable

- Almost 500 miles of our network now hold Green Flag status.
- Our towpaths provide safe active travel routes.
- Our spatial planning team input into development plans at all levels.
- Our waterways help to cool urban areas and support sustainable urban drainage.



Ensure sustainable consumption and production patterns

- We purchase 100% sustainable timber and recycled paper.

Achievements Against UN Sustainable Development Goals



Take urgent action to combat climate change and its impacts

- Our network is helping to tackle and mitigate the impacts of climate change through low carbon energy, transport, heating and cooling buildings, cooling urban areas, water supply and land drainage, and nature recovery.



Conserve and sustainably use marine and inland waters for sustainable development

- We take steps to tackle invasive aquatic weed.
- Our Unlocking the Severn project is delivering major environmental benefits to the River Severn and the fish species that live there.
- We take steps to manage and conserve water resources.



Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation and halt biodiversity

- We have planted 14,000 trees across our network.
- Our comprehensive Environmental Appraisal System is built into our works project management, and we have delivered many projects to improve biodiversity on our network.
- Over 10,000 people took part in our 'Sense in Nature' survey.



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

- We comply with the Charity Governance Code and the Fundraising Regulator's Code of Practice.
- We have partnered with the Probation Service as part of the MoJ's Community Payback scheme.



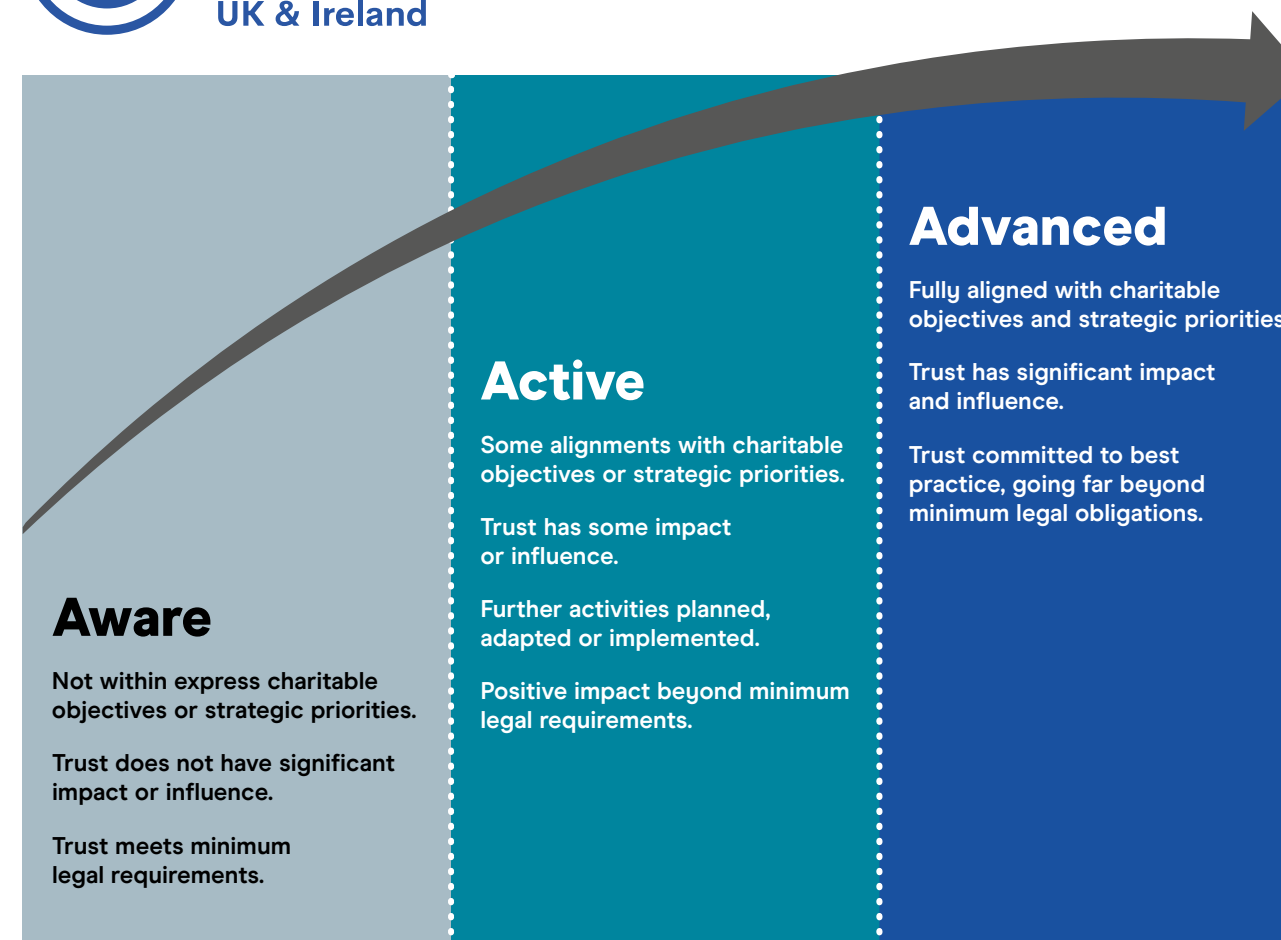
Strengthen the means of implementation and revitalise the global partnership for sustainable development

- We have entered into many partnership agreements to implement sustainable development, including: an MoU with Hitachi to develop innovation to tackle climate change; Sustrans to promote sustainable transport; and with various academic institutions to carry out research into sustainable development.
- We have used funding from the players of People's Postcode Lottery to deliver a sustainability and climate change action programme.

Future priorities

In order to help us prioritise our future efforts, we have used the Chartered Governance Institute's Guidance Note – ESG: A maturity matrix for charities, to establish those SDGs where the Trust is most 'advanced' in terms of alignment with our charitable objects and strategic priorities, the Trust's ability to have a significant impact and influence, where we looking to make a commitment that goes beyond our minimum legal obligations, towards best practice.

ESG: a maturity matrix for charities



Key Focus Areas and Commitments

Taking each of these six 'advanced' areas, we have set ourselves a key commitment under each, supported by three activities that cut across the six areas.

	<p>Commitment – help deliver the 'Natural Health Service' on the doorstep through the increase of 'active visits' (by reference to NHS savings) and improved wellbeing of users (by reference to ONS measures).</p>			
	<p>Commitment – contribute to addressing inequality of wellbeing and access to green space through the achievement of measures to increase community access, use, participation, and partnership of Trust's network in nine outcomes focus areas (metropolitan and urban areas of deprivation with high health and wellbeing inequalities with diverse, hard to reach communities with current low levels of use of the local waterways).</p>			
	<p>Commitment – contribute to climate change and flood resilience of cities and other communities in the vicinity of the Trust's network through investment under our 20 Year Asset Strategy and the elaboration and the publication of Flood Risk Management Strategy by end of 2023 to set out the Trust's role in the operational management of flooding from its network and how we will work with other stakeholders in mitigating and adapting to flood risk, including participation in Local Flood Resilience Forums.</p>			
	<p>Commitment – take climate action by developing a science-based carbon emissions reduction target in line with Science Based Targets initiative (SBTi) methodology.</p>			
	<p>Commitment – improve the management of our water resources (from an environmental and efficiency perspective) through the adoption of a second Trust Water Resources Strategy, including collaboration with other water sector stakeholders and the development of up to 53 'Aquator' (water industry standard) models (to cover each hydrological unit on the Trust's network) over a 5-year period.</p>			
	<p>Commitment – contribute to nature recovery through the carrying out of a biodiversity footprint survey of the Trust's network by end of 2023 to coincide with the coming into force of the Biodiversity Net Gain regime.</p>			
<table border="1"> <tr> <td data-bbox="142 1543 534 1837"> <p>ESG Investment</p> </td> <td data-bbox="534 1543 934 1837"> <p>Sustainable Procurement & Consumption Procurement</p> </td> <td data-bbox="934 1543 1320 1837"> <p>Ethical Marketing & Fundraising Procurement</p> </td> </tr> </table>		<p>ESG Investment</p>	<p>Sustainable Procurement & Consumption Procurement</p>	<p>Ethical Marketing & Fundraising Procurement</p>
<p>ESG Investment</p>	<p>Sustainable Procurement & Consumption Procurement</p>	<p>Ethical Marketing & Fundraising Procurement</p>		

<p>ESG Investment</p>	<p>For non-property investment, the exclusion of fossil fuels and related commodities and the adoption of an influencing approach through use of the Transition Pathway Initiative (or similar) and Impact Investment (provided returns are not diminished).</p> <p>For property investments, a focus on the Trust's 'top 100' properties (which make up c96% of the Trust's properties in terms of value) to gain a progressively better understanding of environmental performance, to develop a path to improvement (refurbishment or disposal) and an ESG assessment and improvement through the stages of property ownership.</p> <p>Our legacy Waterways Pension Fund Scheme Statement of Investment Principles now integrates climate risk metrics into investment and decision making and enhanced stewardship reporting and the Trust's current pension provider Standard Life's default investment strategy now includes a blended ESG approach.</p>
<p>Sustainable Procurement & Consumption</p>	<p>We will continue to fight plastic pollution on land and water, through our Plastics Challenge.</p> <p>Work with our waste collection contractors to seek a consistent, year-on-year average 98%+ rate of diversion from landfill and 90%+ recycling rate across our network (covering Trust offices, depots, yards, boater facilities and towpath bins).</p> <p>We are developing a sustainable procurement approach with the aim of producing a policy by the end of the financial year 2022/23, with an initial focus on larger civil engineering contractors.</p>
<p>Ethical Marketing & Fundraising</p>	<p>The Trust has adopted policies and a process to ensure that major gifts and sponsorships partnerships from corporates in certain sectors (particularly those impacting on health, wellbeing, and the environment) are effectively screened and potentially refused.</p> <p>Our Marketing team has adopted an Ethical Merchandise Policy for all centrally procured Trust merchandise and supply ethically produced T-shirts and bags through our arrangement with Teemil, a sustainable online platform.</p> <p>We are committed to using FSC certification for all printed marketing and campaign material (including our Annual Report & Accounts).</p>

Monitoring & Reporting

The Trust is committed to monitoring and reporting on progress towards these ESG commitments and supporting activities on an annual basis.

As this framework is designed to evolve over time, we will look to review our focus areas and commitments alongside our strategic priorities.

Section 172(1) Statement

As directors of a large company limited by guarantee, registered as a charity, the Trustees are required to report how they have performed their duty under section 172(1) ("s.172(1)") of the Companies Act 2006.

S172(1) provides that, (for charitable companies where the purposes of the company are something other than the benefit of its members), the Trustees must act in the way they consider, in good faith, would be most likely to achieve its charitable purposes. Specifically, they must have regard (amongst other matters) to the following factors (contained in s172(1) (a) to (f)):

- a) the likely consequences of any decision in the long term
- b) the interests of the Trust's employees
- c) the need to foster the Trust's business relationships with suppliers, customers and others
- d) the impact of the Trust's operations on the community and the environment
- e) the desirability of the Trust maintaining a reputation for high standards of business conduct
- f) the need to act fairly as between members of the Trust

Guidance issued by the Department for Business, Energy and Industrial Strategy suggests that companies should include information on some or all of the following:

- The issues, factors and stakeholders the Trustees consider relevant in complying with section 172(1) and how they have formed that opinion;
- The main methods the Trustees have used to engage with stakeholders (i.e. employees, suppliers, customers and others) and understand the issues to which they must have regard; and
- Information on the effect of that regard on the Trust's decisions and strategies during the financial year.

The Trust complies with s.172 of the Companies Act 2006. Trustees recognise the crucial role of the various stakeholders listed above in supporting the Trust to achieve its charitable purpose. The Trust believes strong working relationships with partners and wider stakeholders to be of paramount importance; by working together, the Trust can achieve its long-term goals more effectively.

Trustees receive reports at each board meeting from the Executive Team which include details of the Trust's external relations and engagement with partners. The views of key stakeholders are relayed to Trustees to enable them to consider the impact of their decision making upon such stakeholders.

The Trustees specifically considered impacts on stakeholders when making key decision in relation to revising the business plan to respond to programme delays and inflation rises, when reviewing strategic programmes and undertaking the annual strategic review of risk.

The Trust has a wide range of stakeholders. The engagement with key stakeholders within the reporting period and the outcomes, are described below. This section includes the Trust's statement on employee engagement and its engagement with beneficiaries, services users, suppliers, customers, the wider community and others in business relationships with the Trust.

Our key stakeholders

Colleagues

Trustees value the contribution that our colleagues (employees) and volunteers make to the successful delivery of our strategy and charitable purpose.

How the Board engages with them and ensures that their interests are taken into account

Trustees, via reports to the Board and committees, take into account colleagues' and volunteers' interests when making decisions, including health & safety, safeguarding, diversity & inclusion and engagement. A People Report updates Trustees at every Board meeting and includes updates and outcomes on trade union and other consultations. The Board welcomed the appointment of Karen Seth as People Director in July 2021. In September 2021 Trustees were pleased to note that the Trust was one of eight finalists in the Chartered Institute of Personnel & Development's Award for Best Health & Wellbeing Initiative, recognising the Trust as an employer that places colleague wellbeing centre stage and has an embedded strong culture of workplace wellbeing.

The success of the Trust's colleague engagement initiatives were measured through the year using our annual colleague and volunteer engagement survey as well as additional pulse surveys, and the outcomes shared with the Board. Trustees were also updated on the success of the Trust's 'Trailer on Tour' to reconnect with colleagues across regions in September 2021, in the light of the pandemic lockdowns.

The Board continued to ensure that the Trust's Covid-19 risk assessments suitably identified risk factors and controls to enable activities to re-commence/continue safely in accordance with Government guidance and in preparation for the lifting of restrictions in April 2022.

The health, safety and wellbeing of colleagues and volunteers remained a priority for the Board during 2021/22, with standing reports to each Board meeting, covering updates and performance, including on significant and reportable incidents. The Board welcomed Anne Gardner-Aston to the new role of Director of Health & Safety, created to increase focus at Executive level of the Trust, in September 2021. The Board was also regularly updated on the internal investigation and criminal trial following the tragic murder of employee Clive Porter, and on the measures put in place to ensure colleague personal safety, including updates to lone working protocols, the trial of body worn video for colleagues in some roles, and reinforcement of 'The Line' initiative, to support colleagues facing anti-social, abusive and threatening behaviour, on-line and in person.

The Audit & Risk Committee held a deep dive session on health and safety at its meeting in October 2021 following the Annual Safety Audit, focussing on areas for improvement of safety culture and awareness.

The Remuneration Committee took into account the impacts of the rising cost of living for colleagues when making recommendations to the Board in respect of decision making on pay and conditions for salaried colleagues in the context of decisions on revisions to the business plan to respond to inflation rises.

Our key stakeholders	How the Board engages with them and ensures that their interests are taken into account
<p>Communities and environment</p> <p>Trustees engage with the communities the Trust operates within – nationally and regionally – to understand the issues that are of importance to them and the impact of the Trust’s activities on communities and the environment.</p>	<p>The Board engages with key stakeholder groups via their representatives on the Council, at the Annual General Meeting and informal Council meetings every year, and through the Annual Public Meeting.</p> <p>The Trust’s Regional Advisory Boards and National Advisory Groups help the Trust to access local knowledge and ideas, and to build relationships, reach diverse local communities and stakeholder groups, and translate national priorities into local initiatives. Regional Advisory Board chairs are ex officio members of Council, providing additional opportunities for engagement.</p> <p>Elsewhere, the Trust puts a significant amount of resource into community-based activities, such as its Community Roots, Education and Youth programmes, with activities beginning to return to normal after the pandemic.</p> <p>The Trust also engages in targeted ways when our operations affect local communities, for example through consultations and links with the community local to Toddbrook Reservoir regarding proposed design solutions and planned works. The Board and Infrastructure Committee receive regular updates and reviewed the works programme to reservoirs and high risk assets, including Toddbrook works and, in April 2022, the Infrastructure Committee visited the Toddbrook site.</p> <p>The virtual Annual Public Meeting provides an opportunity for Trustees to hear the questions and views of local stakeholders, enabling them to have these views in mind when making decisions that have a wider impact upon communities and the environment. Matters raised by those attending the meeting in 2021 covered a broad range of topics, including accessibility on towpaths, where the Trust is spending money on towpath and infrastructure improvement, water safety zones, open water swimming, and boat licences. Trustees also received annual updates from the National Advisory Groups, providing the Trustees with the opportunity to understand the key areas for consideration from those stakeholder groups.</p> <p>The Annual General Meeting in September 2021 was held at the National Waterways Museum in Gloucester (where Council members were able to go on a site visit of Gloucester Docks) and in March, prior to the Council meeting, Members and Trustees joined a guided walk along the River Soar, Leicester, learning about the launch of the Leicester Waterways Partnership at Frog Island, street art initiatives with Graffwerk and community engagement and wellbeing activities at Lime Kiln Lock.</p> <p>Trustees returned to in person meetings during the year, holding Board meetings and site visits in the regions that the Trust operates in and engaging with stakeholders in Coventry, Gloucester, Lancashire, Leeds, Leicester and London. In January 2021 Trustees visited Bingley Five Rise Locks on the Leeds & Liverpool Canal.</p> <p>The Board took account of the Trust’s impact on communities and the environment when developing and reviewing its strategic programmes, particularly in the context of our emerging ESG reporting framework.</p> <p>The Board took account of the impact on local communities when undertaking its annual strategic review of risk, particularly in relation to possible risks of major breaches of assets with a high consequence of failure, in terms of flooding and local disruption.</p>

Our key stakeholders	How the Board engages with them and ensures that their interests are taken into account
<p>Customers and Visitors (including waterway users, towpath users, heritage and environment groups, and any other customers).</p> <p>Trustees recognise the variety of the Trust’s customers and beneficiaries and aim to foster good relationships and uphold the highest service standards for all its customers and visitors.</p> <p>Suppliers and Businesses</p> <p>Trustees recognise the importance of fostering good business relationships with suppliers and other businesses, and of maintaining a reputation for high standards of business conduct, to achieving the Trust’s charitable aims and long-term success.</p> <p>Government and Regulators</p> <p>Trustees uphold the Trust’s adherence to legislation and regulation.</p>	<p>Customer views and requirements are gained through a range of mechanisms with regular surveys to provide insight on customer satisfaction and other measures of service. The Trust’s online Annual Public Meeting provides customers and visitors with the opportunity to ask questions of the Chair and Chief Executive on a broad range of topics. In addition, Regional Advisory Boards also held local online Annual Public Meetings, giving local stakeholders further opportunity to engage with the Trust.</p> <p>Customer and user groups make up our National Advisory Groups, which help inform Trust policy in particular areas such as navigation, heritage and the environment.</p> <p>Trustees also receive updates on customer and visitor views via the Chief Executive’s standing report to each Board meeting, and consider those views, where relevant, as part of their decision.</p> <p>The Board took into account the impact of the rising cost of living for customers in reviewing boat license charges when making decision on revisions to the business plan to respond to inflation rises.</p> <p>An approved Procurement Policy is in place which defines for suppliers the Trust’s standards of business ethics and conduct. Trustees have approved a Modern Slavery Statement and Anti-Fraud and Bribery Policy, which suppliers must adhere to. The Trust also has a policy in place to ensure its compliance with competition law in terms of its activities in areas where it is the network operator and a commercial participant (e.g. Waterside Moorings).</p> <p>During the year, the Board approved a number of contracts in accordance with the agreed scheme of delegation, taking into account suppliers’ and businesses’ interests when doing so. For example, in February 2022, the Infrastructure Committee held a meeting focussed on the new civil engineering contract, providing strategic challenge to ensure that the tender process was fair and robust.</p> <p>During the financial year, discussions with Defra regarding the upcoming grant review remained a key focus and the Government Grant Review Trustee Working Group continued to meet to oversee the Trust’s interaction with the review process and help develop the Trust’s case for continued funding post- 2027. The Board continued to provide frequent feedback and strategic direction to the Trust’s developing strategic case, having received comprehensive reports and financial modelling from the Executive. In addition, the Chair of the Board and Chief Executive met with key Defra officials during the financial year.</p> <p>Trustees are updated on legal and regulatory developments at each Board meeting and take these into account when making decisions. For example, the Trustees noted the recommendations coming out of the Charity Commission’s investigation into the Kids Company.</p>

SECR
(Streamlined energy & carbon reporting)

Carbon Footprint 2021/22

Activity	Energy (kWh)	Emissions (tCO ₂ e)
Scope 1 Total	10,992,572	2,488.43
Natural Gas (Mains)	2,102,400	385.08
Other Gas	147,659	33.80
Company Cars	8,742,513	2,069.55
Scope 2 (Location-Based) Total	15,853,914	3,366.26
Electricity (Location-Based)	15,853,914	3,366.26
Scope 3 Total	2,549,830	625.21
Business Travel – Train & Air	78,654	18.66
Business Travel – Employee Owned Vehicles	2,471,176	606.55
Total	29,396,316	6,479.90
Emissions per £m Expenditure on Charitable Activities (tCO₂)		35.96

Carbon Footprint 2020/21

Activity	Energy (kWh)	Emissions (tCO ₂ e)
Scope 1 Total	9,657,204	2,293.57
Natural Gas (Mains)	2,400,682	441.41
Other Gas	76,514	16.41
Company Cars	7,180,008	1,835.75
Scope 2 (Location-Based) Total	13,489,926	3,145.04
Electricity (Location-Based)	13,489,926	3,145.04
Scope 3 Total	1,391,339	345.03
Business Travel – Train & Air	9,007	2.30
Business Travel – Employee Owned Vehicles	1,382,332	342.73
Total	24,538,469	5,783.64
Emissions per £m expenditure on Charitable Activities (tCO₂)		31.55

Carbon Footprint comparison

Activity	Difference (tCO ₂ e)	Difference (%)
Scope 1 Total	194.86	8.50%
Natural Gas (Mains)	-56.33	-12.76%
Other Gas	17.39	105.97%
Company Cars	233.80	12.74%
Scope 2 (Location-Based) Total	221.22	7.03%
Electricity (Location-Based)	221.22	7.03%
Scope 3 Total	280.18	81.20%
Business Travel – Train & Air	16.36	711.30%
Business Travel – Employee Owned Vehicles	263.82	76.98%
Total	696.26	12.04%
Emissions per £m Expenditure on Charitable Activities (tCO₂)	4.41	13.98%

Quantification & Methodology

The Group has taken guidance from the UK Government Environmental Reporting Guidelines (March 2019), the GHG Reporting Protocol – Corporate Standard, and from the UK Government GHG Conversion Factors for Company Reporting document for calculating carbon emissions. Energy usage information (gas and electricity) has been obtained directly from our energy suppliers and half-hourly (HH) data, where applicable, for the HH supplies (there was no estimation profiling required). For supplies where there wasn't complete 12 month energy usage available, flat profile estimation techniques were used to complete the annual consumption. Transport mileage data was obtained from expense claims submitted for our company cars and grey fleet. For the employee owned vehicles we only had data for the miles claimed therefore the conversion factor used was based on an average car with an unknown fuel type. CO₂e emissions were calculated using the appropriate emission factors from the UK Government GHG conversion information.

Energy Efficiency Action

We have implemented a number of energy efficiencies to help reduce our carbon footprint, including:

Increased generation of low-carbon energy on the Trust's estate

Our estate hosts a number of schemes that allow for energy to be produced at a lower carbon intensity than more traditional sources. The schemes include wind and solar photovoltaic, hydroelectric schemes which use our water to generate electricity, schemes that use canal water for cooling buildings and use the thermal energy within canal water to provide heat.

Transferring road fleet to low-carbon fuels

We have started purchasing hybrid vehicles.

Trialling of alternative/green fuels for boats

The use of Hydrogenated Vegetable Oils (HVO) is being trialled to contribute to a reduction in our carbon footprint.

Docks Pump efficiency

We installed two large, three-ton pumps at Gloucester Pumping Station. The new pumps are more efficient, have a higher level of resilience and have an increased life span of around 20 years. It's expected that the new pumps can also cut the electricity consumption for the pumping station by around 10%.

Water-sourced heating and cooling

We have increased our focus on the supply of low-carbon heating and cooling solutions to existing and new build properties adjacent to our canals via water-source heat pumps.

Offsetting residual emissions, tree planting plan

We have made plans to offset carbon emissions through a programme of tree planting on our own land, and have identified 279 hectares of tree planting opportunities.

Carbon Reduction Plan

We have engaged consultants, Carbon Intelligence, to help create a Carbon Reduction Plan and a roadmap to 'net zero' in line with SBTi methodology. When completed, our roadmap will outline the further future improvements we will make to our own emissions as well as tracking the improvements in our upstream supply chain by our suppliers as they adopt their own improvement plans.

Finance Review

Introduction

This Finance Review outlines the financial performance of the Trust during the year ended 31 March 2022.

The Trust was able to return to normal levels of activity in the 2021/22 financial year following periods operating under the continued Government restrictions arising from the global Covid-19 pandemic. With a return to normal levels of activity and the lifting of restrictions the Trust workforce was restored to full service and ceased any further claims for income under the Government's Coronavirus Job Retention Scheme.

The Trust has restored full service charges to commercial and boating customers following the granting of financial support, rent concessions and a free month of boating that was provided in the prior year. The delivery of major infrastructure works and third party funded activity has been impacted by some delays in the year but the lifting of restrictions has seen a return to full levels of activity by the end of the 2021/22 financial year.

Overview of financial performance

Despite the challenges of the financial year, income remained broadly consistent with the prior year and the Group net movement in funds was positive as a result of significant revaluation gains across the investment portfolio and the defined benefit pension liability. These unrealised gains arise in the Trust's protected asset fund, and do not create additional unrestricted funds for spending on waterway maintenance.

The Trust reported net expenditure before gains on investments of £7.2m (2020/21: £5.9m). This deficit included the recognition of further future major infrastructure costs of £5.0m relating to costs to be incurred on a number of reservoirs under the Trust's management after 31 March 2022. This is in addition to the charges recognised in previous years.

Due to the activity performed and £12.3m actual expenditure incurred in the year, the major infrastructure provision has reduced to £29.0m at 31 March 2022. The Trust reported net gains on investments of £83.9m (2020/21: £39.3m) due to market valuation gains on its non-property investment portfolio of £37.7m (2020/21: £48.7m) as well as significant valuation gains in the investment property portfolio of £40.2m (2020/21: losses of £11.1m) as asset markets continued to recover from the Covid-19 pandemic. After taking account of the actuarial gain on pension schemes of £83.9m (2020/21: loss of £27.8m), the net increase in funds was £160.6m (2020/21: £5.6m). The amount of those funds which is unrestricted fell to £10.7m (2020/21: £19.3m) largely as a result of the deficit for the year.

	2021/22 £m	2020/21 £m
Income	214.6	215.4
Expenditure on raising funds	(41.6)	(38.0)
Net income available for charitable activities	173.0	177.4
Charitable spend	(180.2)	(183.3)
Net expenditure before gains on investments	(7.2)	(5.9)
Gains on investments and disposals	83.9	39.3
Net income/(expenditure)	76.7	33.4
Pension actuarial (losses)/gain	83.9	(27.8)
Net Movement in Funds	160.6	5.6

Income: Decreased by £0.8m overall. Income from donations and legacies decreased by £5.0m to £6.5m due mainly to £3.8m income from the Coronavirus Job Retention Scheme grant in the prior year which wasn't repeated in the current year. Income from charitable activities of £73.7m decreased by 6.2% largely due to third-party funded projects income reducing as one large project is near conclusion. Trading income of £83.0m increased by £5.7m due to the non-repeat of pandemic related concessions on boat licences offered in the prior year, in addition to continued growth in utilities and water development income. Investment income of £51.4m was £3.4m higher than the previous year as activity returned to normal levels following the rent concessions offered in prior years due to Covid-19, and profit share from joint ventures increased reflecting development activity which had been delayed in the prior year.

Expenditure on raising funds: Increased by £3.6m, mainly due to higher face-to-face activity levels on the towpaths and in offices and increased costs associated with enhanced processes with our boat licences and moorings teams.

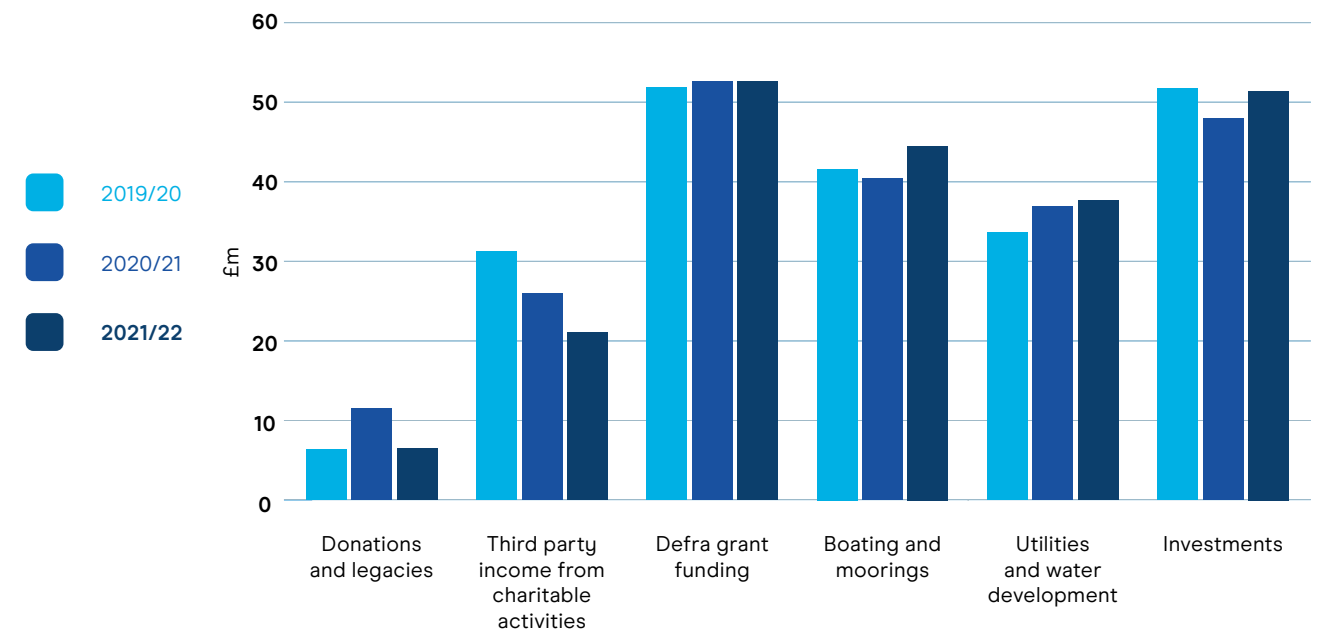
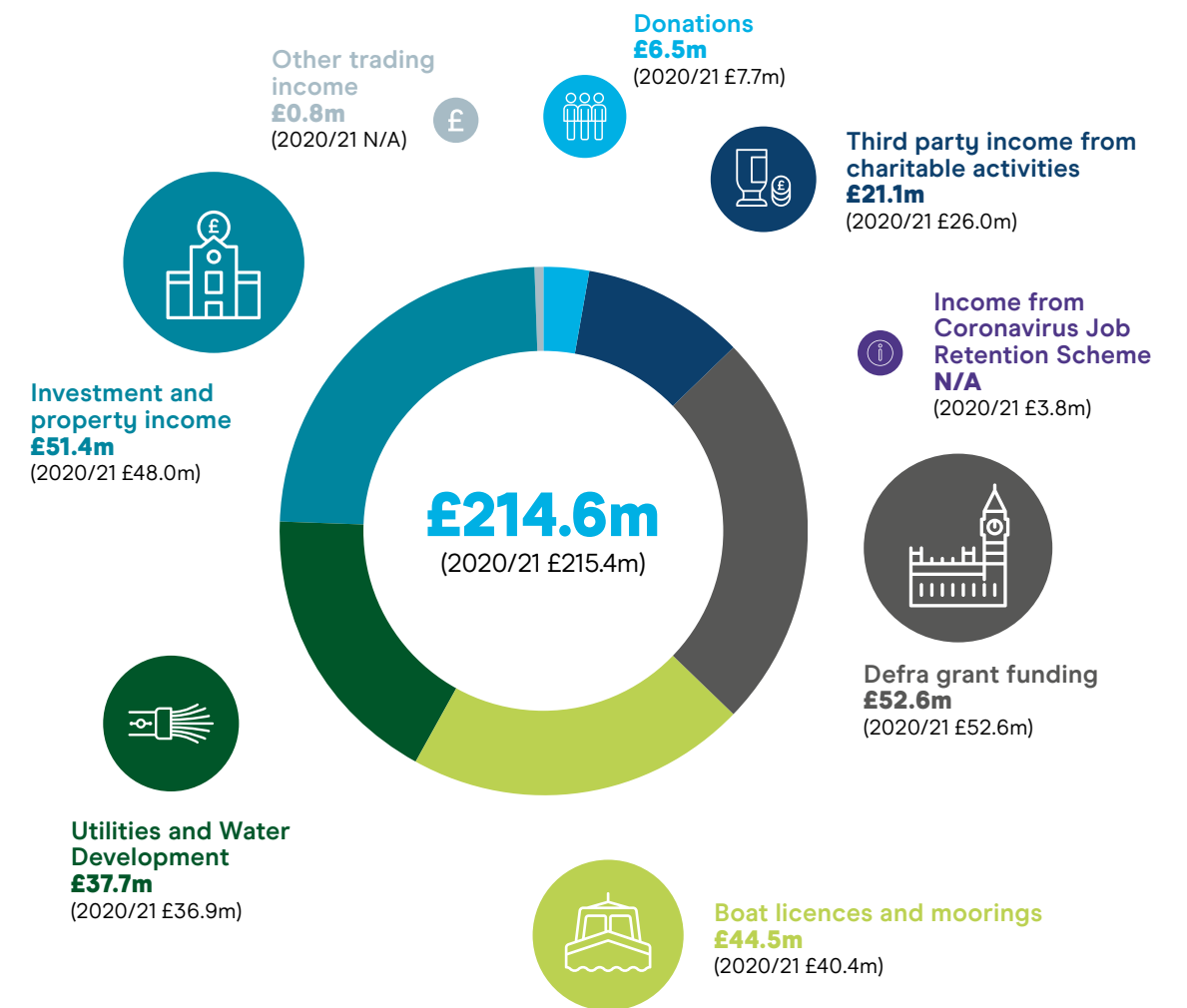
Charitable spend: Decreased by £3.1m mainly due to the delayed delivery of third party funded projects as a result of continued restrictions during the pandemic. The cost includes £5.0m provided during the year but relating to future infrastructure works, which is £13.1m lower than prior year due to lower levels of new requirements raised this year.

Net expenditure before gains on investments: worsened by £1.3m due to higher expenditure on raising funds and lower income.

Gains on investments: Our non-property portfolio of diversified investments benefitted from market recovery, with full year gains of £37.7m. Revaluation gains of £40.2m on our investment property portfolio were as a result of some recovery in sectors such as industrial, retail and office affected by Covid-19. The Trust's property advisors, Avison Young, have independently valued approximately 94% of our property portfolio by value as at 31 March 2022. These gains along with £5.7m of gains on disposal of investment assets contributed to overall gains of £83.9m.

Pension actuarial gain: This gain of £83.9m was a result of a reduction in the assessed liability due to reducing future benefit payments and higher discount rates, as well as improvements to the valuation of scheme assets.

Income



Donations and legacies The Trust received £3.1m income under a grant-making model from the People's Postcode Lottery (2020/21: £4.6m from a commercial partnership). The number of 'Friends' regularly supporting the Trust has decreased slightly from 27,721 to 27,148, with income from Friends remaining consistent at £3.0m. During 2020/21 £3.8m of donations and legacies income came from the Government's Coronavirus Job Retention Scheme, with no amounts received in 2021/22.

Third party income from charitable activities represents amounts received for third party funded improvement projects from local and national partners. Also included in this category is income from museums and visitor attractions run by the Trust. The income received in 2021/22 decreased by 18.8% mainly as a result of one large project "Unlocking the Severn" nearing conclusion.

Defra grant funding represents amounts due under the Defra grant agreement. Part of this income is conditional based on performance criteria being met, described further on pages 87 to 88. The core amount received in 2021/22 was £42.6m, with an additional £10.0m received due to satisfactory performance against these performance conditions. Defra grant funding, which comprises 25% of the Trust's overall income, is fixed until 2026/27.

Boating and moorings The table below shows how the income in this category breaks down between our private boat licence income, income from our long-term moorings activity, and from business boating (income received from businesses undertaking trading activities on or in facilities connected to the waterways, or premises leased from the Trust):

	2021/22 £m	2020/21 £m	change %
Boat licences	24.0	21.3	12.7
Mooring permits	8.9	8.2	8.5
Boating trade*	10.8	9.8	10.2
Other	0.8	1.1	(27.3)
Total	44.5	40.4	10.1

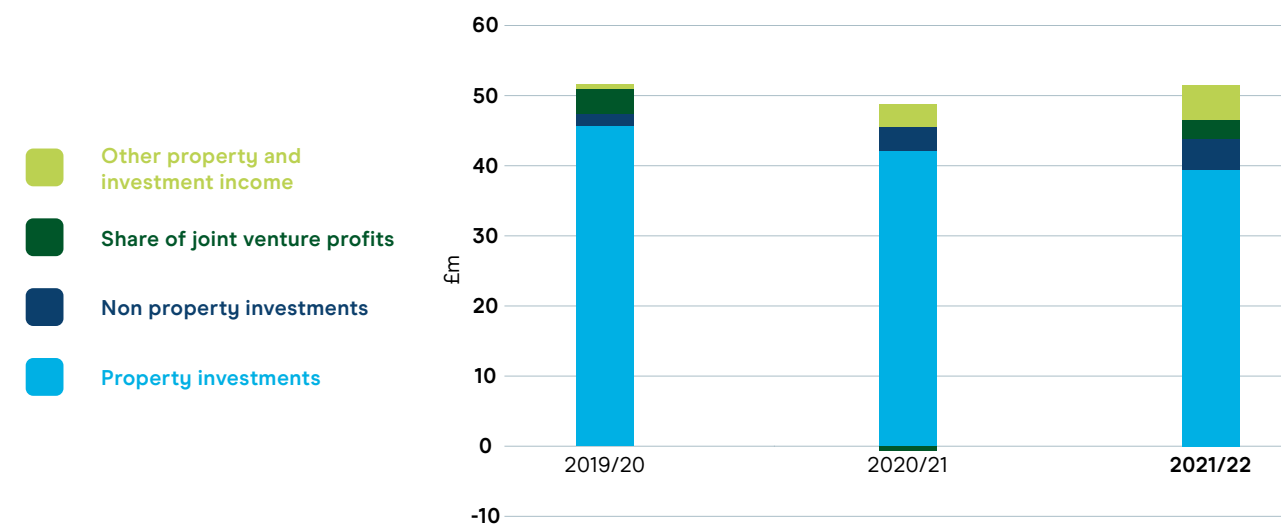
* Boating trade income includes both business licences and boating property rents.

Boat licence income increased by 12.7% as charges were restored to normal levels following concessions offered and cancellations experienced in 2020/21 during the pandemic. Income from mooring permits increased by 8.5% due to general inflationary price rises and improved occupancy levels.

Utilities and water development income Utilities income is received from third parties who use the towpaths or bridges for their infrastructure cables for data, telecoms or electricity. Income from water development arises through extraction of water from the canal as well as discharges of excess water into the canal and the use of water for heating and cooling buildings. Utilities and water development income increased by £0.8m (2.2%) in the year due to inflationary increases and new local utility agreements.

Investment income including joint ventures is derived from the Trust's Protected Asset Fund.

Total investment income increased by 7.0% to £51.4m, with each key area considered separately below.



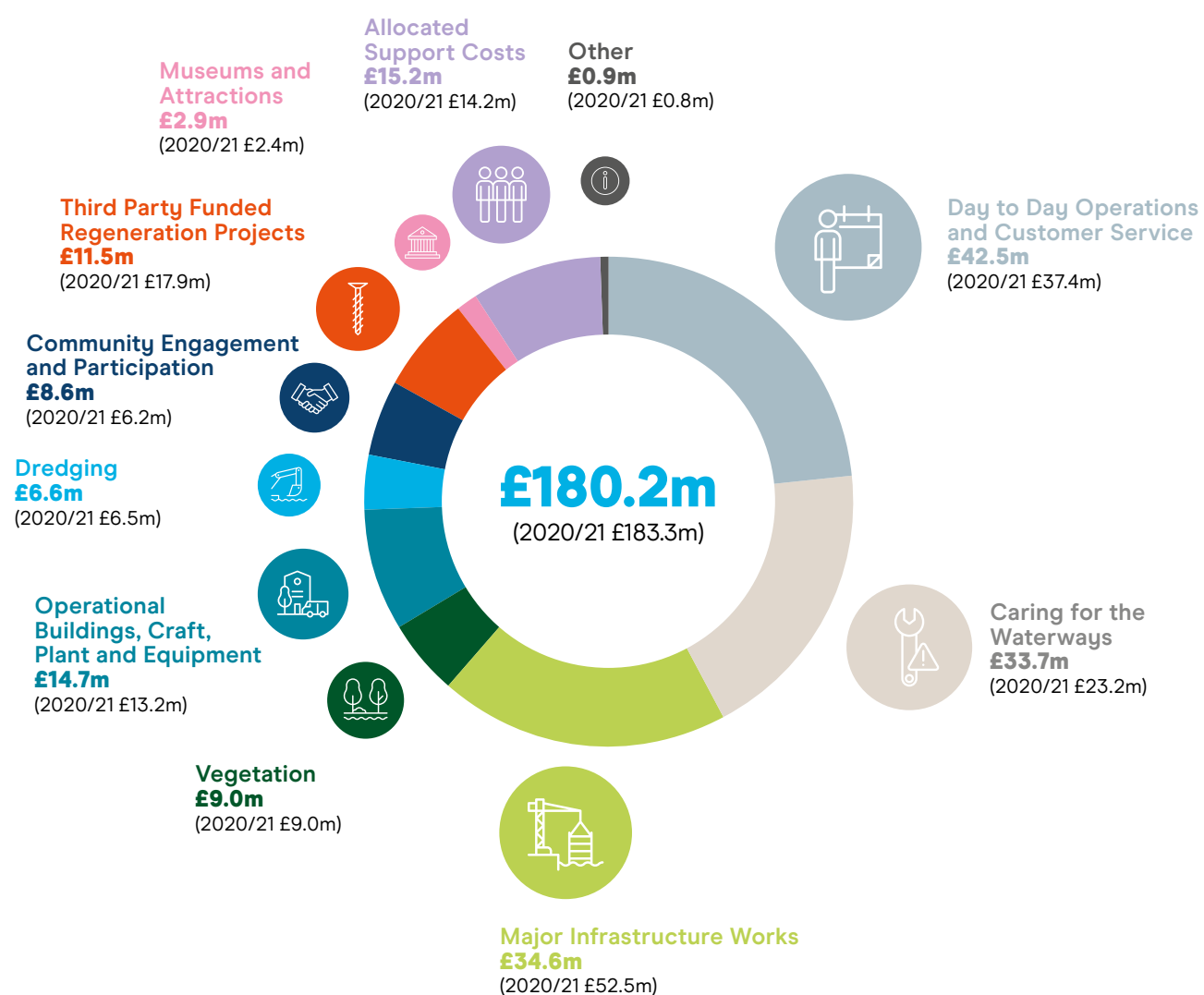
Property investments: These form the largest part of investment income at £39.4m, being rents and premiums from our large property portfolio which has performed consistently well over the past three years. The 6.1% reduction in property investment income against the prior year is due to disposals of investment property to fund £35m additions to non-property investments.

Non-property investments: Dividend income from the non-property portfolio was £0.8m higher than 2020/21 due to a higher portfolio value brought forward from 2020/21 and additions in the year.

Share of Joint Venture profits/(losses): The main joint venture interests of the group, Waterside Places (General Partner) Limited and H2O Urban (No2) LLP, engage in waterside property developments from which a share of income is derived. The £2.8m income is due to completion of further phases of developments with profits benefiting from market value increases, partly offset by a provision for future rectification costs required to certain properties previously completed.

Other property and investment income: This income includes wayleaves and interest receipts and has increased by £1.2m from 2020/21 due to new commercial agreements agreed in the year.

Expenditure on charitable activities



Spend on charitable activities decreased by £3.1m from 2020/21 although underlying expenditure on day to day operations, customer service and caring for the waterways continues to grow with expenditure excluding the impact of provisions increasing by £18.7m. This was largely due to the resumption of repair and maintenance activities following restrictions experienced in the previous year.

Major infrastructure works These costs comprise:

- Provisions for future infrastructure costs made following reservoir inspections under s10 of the Reservoirs Act 1975 of £5.0m (2020/21: £18.0m).
- The costs of other major infrastructure works carried out during the year, which were higher compared to the prior year.
- Not included in the reported total as the cost had been provided for in previous years, £12.3m of previously provided repair costs were delivered during the year (2020/21: £3.6m).

Third party funded regeneration projects The reduction in cost of £6.2m is largely due to the delays experienced in the year due to government restrictions.

Gains on investments

The property portfolio produced valuation gains of £40.2m (2020/21: losses of £11.1m) which, combined with £5.7m (2020/21: £0.8m) of realised gains on disposals, produced a positive capital return of 6.1% for the year. This was behind the MSCI UK all commercial property quarterly benchmark capital returns of 14.9% for the year. The Trust has high weighting in defensive assets such as ground rents which are sought after in times of uncertainty for their secure income. Where the market achieved high returns post Covid, particularly in industrial property, as confidence returned to the commercial property market, the Trust performance fell behind as these secure assets did not deliver returns in line with the market. Avison Young independently valued approximately 94% of our property by value as at 31 March 2022. In the long term, however, capital returns remain ahead of the market benchmark.

Our non-property portfolio of investments produced capital gains before fees of £37.7m (2020/21: £48.7m). The valuation at 31 March 2022 represents the continued general market recovery experienced after a volatile and uncertain position in previous years, although volatility has again been experienced since 31 March 2022.

During the year there were £0.3m (2021: £0.9m) gains on disposal of tangible fixed assets.

Pension actuarial gain

The defined benefit Waterways Pension Fund (WPF) was closed to future benefit accrual on 30 September 2016. The Group pension deficit on an actuarial basis of £45.6m at 31 March 2021, improved to become an asset of £42.5m during the year. The assessed liability has reduced due to a reduced estimated deficit resulting in lower future expected payments and increased discounts as a result of rising interest rates. The investment value has increased during the year with market conditions recovering from the pandemic and a strong performance recorded to the balance sheet date, although it is noted that the current geopolitical climate has caused volatility in markets since the year end.

The Trust has placed investment property within a pension funding partnership, Canal & River Pension Investments LP (the SLP), of sufficient value to meet the minimum collateral required for the WPF trustees to cover any funding shortfall on the WPF of up to £125m when the arrangements mature on 8 July 2031. At the same time, the SLP pays a contribution of £5m each year to the WPF until 31 March 2031. On consolidation, the WPF's interest in the partnership does not represent a plan asset for the purposes of the Group consolidated financial statements as the underlying assets have been included in the Trust's investment properties.

The position of the pension scheme for funding purposes is calculated on a different basis. A formal valuation is undertaken once every three years and was last undertaken as at 31 March 2019. As at that date the market value of the Scheme's assets (excluding members' additional voluntary contributions) amounted to £584m and the value placed upon the benefits that had accrued to members was £590m. The Scheme was therefore £6m in deficit and 99% funded on an ongoing basis. The market value of the Scheme's investment in the SLP is included within the valuation of the Scheme's assets. As the arrangements could give rise to proceeds above market value at valuation date, additional contributions were not deemed necessary to eliminate the deficit at 31 March 2019. The valuation as at 31 March 2022 will become available during the 2022/23 year.

Summary Consolidated Balance Sheet

	Unrestricted Funds £m	Restricted Funds £m	Total 31 March 2022 £m	Total 31 March 2021 £m	Variance £m
Tangible fixed assets	30.5	21.3	51.8	51.4	0.4
Investments	25.9	1,088.6	1,114.5	1,041.0	73.5
Current assets	81.5	39.8	121.3	124.4	(3.1)
Current liabilities	(87.0)	(10.5)	(97.5)	(95.8)	(1.7)
Long-term liabilities	(5.5)	(150.0)	(155.5)	(151.7)	(3.8)
Provisions	(34.6)	(0.2)	(34.8)	(41.9)	7.1
Pension (liability)/ asset	(0.1)	42.6	42.5	(45.7)	88.2
Total net assets	10.7	1,031.6	1,042.3	881.7	160.6

Overview

The Trust's group balance sheet position is strong with the majority of the net assets being held in the restricted Protected Asset Fund. Unrestricted funds have total net assets of £10.7m which is £8.6m lower than 2020/21, due mainly to the deficit of £7.6m noted above. The Trust holds investments, cash and other current assets in the General Fund sufficient to support our current liabilities as they fall due.

Within restricted funds is a long-term, fixed rate loan of £150.0m. This is explained in further detail in note 19 to the financial statements. These funds have been invested in accordance with the Trust's investment strategy.

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

Tangible fixed assets increased principally due to additions of plant and vehicles.

Investments increased due to growth in value of non-property investments and investment property portfolio.

Current assets reduced primarily due to the timing of customer cash collections and the net deficit for the year reducing the levels of cash reserves.

Provisions reduced due to the major infrastructure provision being released in line with the costs of reservoir restoration works incurred in the year, and lower levels of new requirements raised in the year.

Pension fund asset showed an improvement of £88.2m due to lower scheme liabilities as a result of a lower estimated deficit and higher discounts, plus a gain on scheme investment assets due to improved market conditions.

Investment policy, powers and performance

Currently, all of our long-term investments, with the exception of £25.9m held for the Major Asset Failure Fund, are held within the Protected Asset Fund. The Protected Asset Fund is defined under the 2012 Defra Grant Agreement and comprises all the investment assets and liabilities of the Trust such as investment properties, investments in subsidiary companies, financial investments, cash available for investment and protected operational buildings and is net of any liabilities that are effectively secured on, or due for payment from, the assets in the Protected Asset Fund as transferred to the Trust under the Statutory Transfer Scheme on 2 July 2012.

The 2012 Grant Agreement with Defra provides that the parties shall jointly appoint a person as the Protector of the Protected Assets. The key requirements of the Protector are to ensure that there is no material diversion or material diminution of the Protected Assets. In his report to the Secretary of State for Environment, Food and Rural Affairs dated January 2022, the Protector stated that he did not identify any material diversion or material diminution to the Protected Assets for the year ended 31 March 2021.

The Protected Assets are the corporate property of the charity and are not held on trust. As such, and subject to the specific terms of the grant agreement, it is up to the Trust to decide how much of the annual return is spent on charitable activities and how much is retained to increase the capital value of the fund. The investment policy carefully balances present needs with those of the future, consistent with the aims of the Defra Grant agreement.

The Grant agreement covers the period to 2027 and states that the Trust should aim to grow the Protected Asset Fund in real terms i.e. by more than inflation. Our investment policy specifies real estate property investments in the UK as the main asset class but allows up to 40% of the portfolio to be invested in a more diverse range of asset classes such as equities, absolute return funds, bonds and private equity. Whilst the Trust can tolerate modest short-term volatility, the main objective of the investment policy is to provide regular income while increasing investment value in the portfolio.

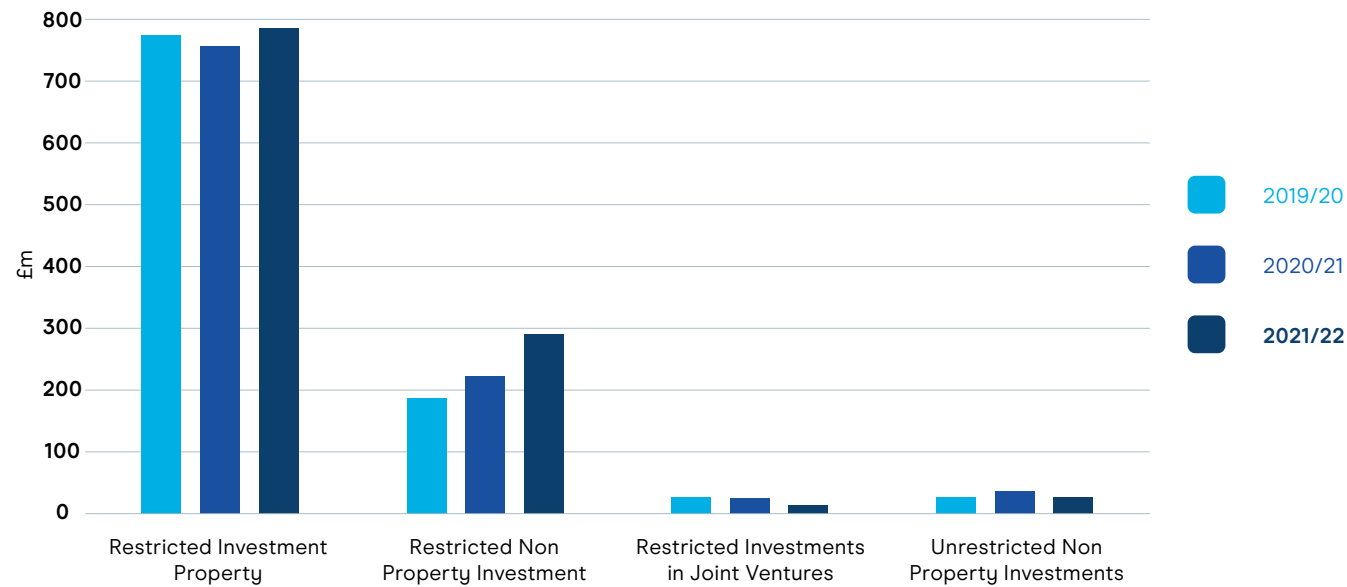
The Trust's investment policy is to allow withdrawal of capital from the Protected Asset Fund to fund expenditure provided it has first retained at least CPI+1% growth measured over the medium to long term (5 to 10 years).

In normal circumstances, for property assets, the Trust spends the net property rents received and accumulates the capital gains. For non-property assets the Trust spends dividends, interest received and some capital growth and accumulates capital gains of at least CPI+1%.

The primary purpose of the investment assets is to fund and support the charitable objects of the Trust. Over time, the Trust is committed to incorporating environmental, social and governance (ESG) considerations into its investment decision making so that the long-term financial performance of the investment assets is aligned to the objectives of the Trust and society at large, recognising that the Trust invests all returns from the investment assets for public benefit.

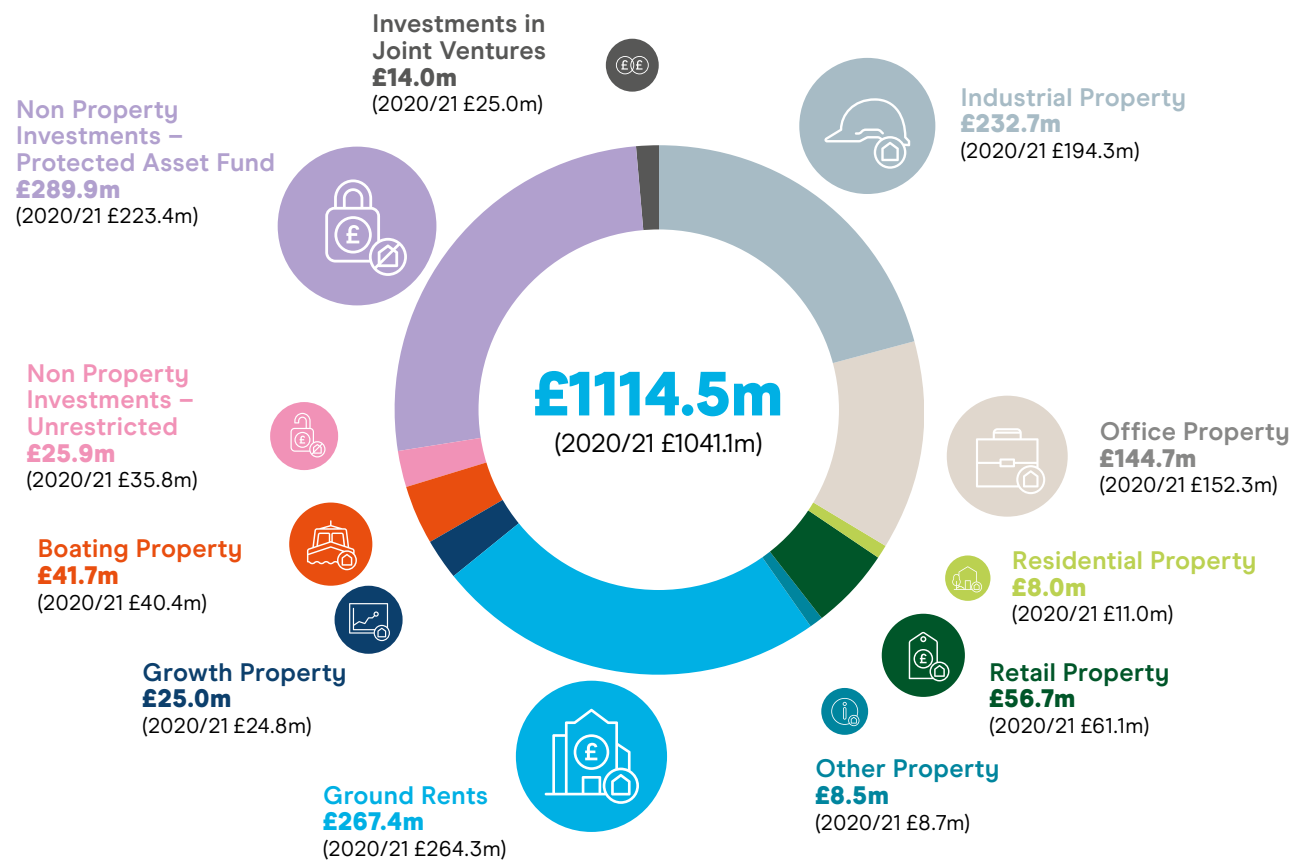
Total Investments

The total investment portfolio is £73.5m higher than the position at 31 March 2021 and stands at £1,114.5m. The increase in value is due to the non-property investment revaluation gains and investment property revaluation gains. The investment portfolio is made up as follows:



These investments generated £51.4m of income to spend on charitable activities.

Investment by Type



Property investments

	Actual		Benchmark*		Variance	
	2021/22	5 year annualised	2021/22	5 year annualised	2021/22	5 year annualised
Total return	10.5%	7.7%	19.6%	6.8%	-9.1%	+0.9%
Income return	4.3%	4.6%	4.2%	4.4%	+0.1%	+0.2%

* MSCI UK all commercial property quarterly benchmark.

The Trust's investment property portfolio produced a total return of 10.5% for 2021/22, 9.1% behind the benchmark. This includes capital returns of +6.0% comprising +0.7% realised gain from property sales and +5.3% revaluation on properties held. This compares unfavourably with the benchmark of 19.6% capital return, due principally to the Trust's high exposure to the secure low return investments in the ground rent portfolio and a relatively low exposure of the Trust to industrial, which has seen significant positive performance in the year.

The Trust's investment property performance is benchmarked against the UK commercial property market over the medium term. The portfolio has exceeded the benchmark with 5-year annualised average returns at 7.7% p.a. compared to 6.8% p.a. for the benchmark.

Non-property investments

	Actual		Benchmark*		Variance	
	2021/22	5 year annualised	2021/22	5 year annualised	2021/22	5 year annualised
Total return (including foreign currency exchange effects)	14.9%	8.9%	9.5%	9.3%	+5.4%	-0.4%

* based on the Strategic Asset Allocation which is a composite benchmark based on a range of external benchmarks comprising fixed income, credit, absolute return, hedged equities, global equities and private equity.

The above table shows performance of the non-property investment portfolio as at 31 March 2022. The valuation for the private equity component is based on valuations as at 31 December 2021.

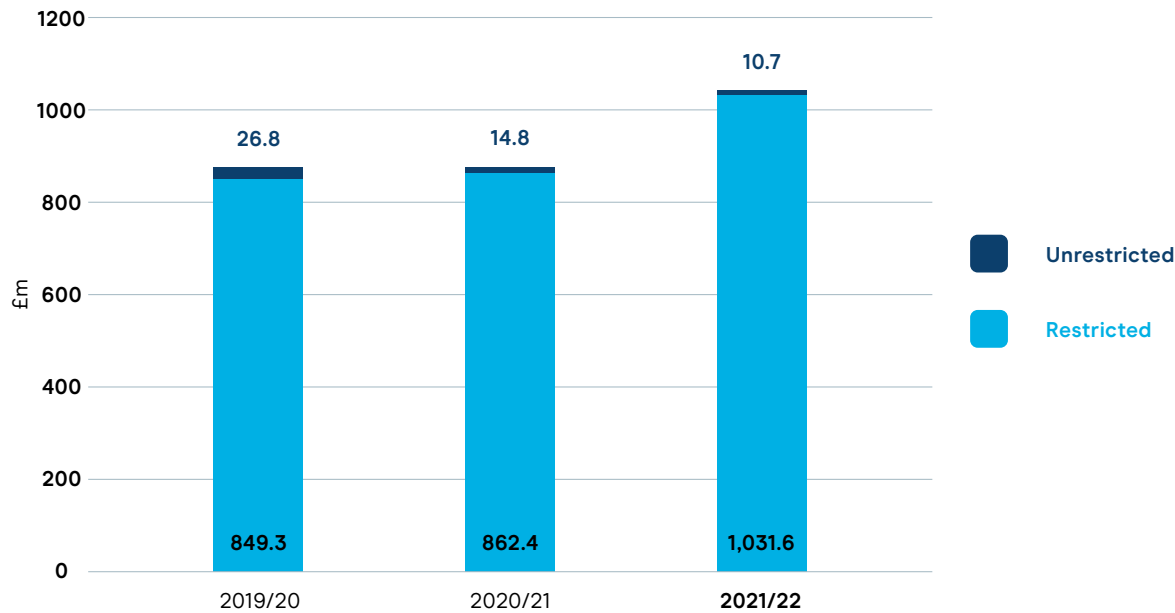
Our non-property investment manager's objective over the medium term has been achieved with annualised nominal returns over 5 years of 8.9% compared to the benchmark of 9.3% over the same period. The 2021/22 return of 14.9% was 5.4% higher than the market benchmark for the year.

Investments related to the designated Unrestricted Income Fund are £25.9m (see note 16) and are all held in separate investment funds with our investment managers, Partners Capital.

Reserves

Total Reserves

The total reserves of the Trust have increased from £881.7m at 31 March 2021 to £1,042.3m at 31 March 2022 as shown in the chart below. This is principally due to gains on investments of £83.9m and actuarial gains on the defined benefit pension scheme of £83.9m. At the same time, the unrestricted portion of reserves has reduced to £10.7m reflecting the deficit for the year.



Funds Movement

Reserves policy

All charities are required to consider how much funds (if any) they need to hold in reserves. This consideration is based on a number of factors such as the scale and nature of the charity's activities, the charity's age and the stability of its income.

Our purpose is to be a trusted guardian of the historic inland waterway network of England and Wales, seeking to enrich places of historic interest or natural beauty permanently for the benefit of the nation. The waterways and the associated structures represent a substantial financial commitment of the Trust and have an annual maintenance and repair requirement that significantly exceeds the related income generated. Accordingly, the economic value of the waterways is estimated to be substantially negative.

In 2012 when the Trust was formed the Government transferred the Trusteeship of Waterways and related infrastructure assets to the Trust under the terms of a Trust settlement. These infrastructure assets have no market value and cannot be sold but the income earned from them can be applied to the Trust's charitable purposes.

In 2012 the Government also transferred investments and other non-infrastructure assets to the Trust subject to the conditions of the Defra Grant agreement. The Trust refers to these assets as the Protected Assets and, whilst the capital value is required to grow in real terms, the Trust can apply the income from them to its charitable purposes. The financial strategy of the Trust is therefore to maximise net income from all sources and to increase the contribution to the Trust's activities through volunteering and local engagement, whilst ensuring the value of the Protected Assets grows in real terms.

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

In formulating a reserves policy, the Trust must balance the need to maintain the waterways in a safe condition, with the need to have sufficient financial resources to carry on its activities. In addition, unlike many other charities, the Trust has the resilience of being able to utilise capital within the Protected Asset Fund as a source of funds or a source of collateral for borrowings, provided it replaces those funds over time.

The Trust is also a relatively young charity and has not had the benefit of building up substantial free reserves. Consequently, the reserves policy of the Trust is to maintain free reserves close to zero over the long term (note that free reserves exclude the value of the Protected Asset Fund). The Trustees take this into account when formulating the Trust's long-term strategic plan. To the extent that these forecasts indicate significant positive reserves, they will be transferred to a major asset failure fund to meet unexpected infrastructure failure. Conversely, where significant negative reserves are forecast, the Trustees will develop an action plan to bring free reserves back to zero over the long term through increased income or reduced costs.

Notwithstanding this long-term policy, in the short term the impact of the Covid-19 pandemic and rising inflation, together with increasing activity leading to higher infrastructure repairs and maintenance costs, means the Trust anticipates negative free reserves in the short to medium term. In order to offset these impacts, the Trustees have set challenging growth assumptions for the Trust's various income streams over the longer term coupled with retention of unrestricted premium receipts from our property holdings. The Trust does also have the option of utilising capital from the Protected Asset Fund as mentioned above.

Unrestricted Funds

General Fund – £2.8m (2021: £0.8m)

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

As a young charity with a 2,000 mile heritage waterway network to maintain, the Trust has not yet had an opportunity to accumulate free reserves. Free reserves excluding unrestricted fixed assets of £30.5m (2020/21: £30.2m) are negative by £27.7m (2020/21: negative by £29.4m). The implication being that some fixed assets would need to be sold to meet the repair costs. However, the infrastructure repairs will be carried out over a number of years funded from income generated in future periods and it is not expected any asset sales will be needed. As the repairs are completed and the provision is released the level of free reserves should return to zero over the long term.

Designated Funds – £7.9m (2021: £18.5m)

The Trust created a designated fund, the Pension Contingency Fund, with the purpose of enabling the Trust to meet potential future obligations to the Waterways Pension Fund. At 1 April 2021 the Pension fund had a significant deficit which was expected to be eliminated by the pension funding partnership arrangements in the period to 2031. As a consequence, on 23 July 2021, the Trust Board approved the transfer of amounts in the Pension Contingency Fund of £18.5m to the Major Asset Failure Fund (MAFF). This transfer was intended to bring our designated reserve in line with the Trust's Reserves Policy and to recognise the risk of asset failure.

The MAFF reduced during the year due to the transfer to the General Fund to fund major infrastructure expenditure incurred.

Restricted Funds

Protected Asset Fund – £1,030.3m (2021: £861.8m)

The Protected Asset Fund increased by £168.5m during the year, primarily as a result of non-property investment revaluation gains, property investment revaluation gains and actuarial gains on the pension liability.

Restricted Income Fund – £1.3m (2021: £0.6m)

The Restricted Income Fund comprises funds that have been donated to the Trust with specific restrictions on how the funds may be applied.

Cash Flow

Cash and cash equivalents reduced by £6.6m in the year to 31 March 2022 as shown and explained below.

	2021/22 £m	2020/21 £m
Net cash used in operating activities	(73.0)	(44.9)
Net cash provided by investing activities	70.0	62.4
Cash flows from financing activities	(3.6)	(4.2)
Change in cash and cash equivalents	(6.6)	13.3
Cash and cash equivalents at 1 April	36.4	23.1
Cash and cash equivalents at 31 March	29.8	36.4

Operating activities: net cash used in operating activities is £28.1m more than last year largely due to the increased infrastructure and maintenance activity delivered.

Investing activities: the property portfolio remains a major source of income for the Trust and the net revenue generated is integral to funding the costs of maintaining the waterways and delivering the Trust's objectives. Net cash generated from our investing activities has increased by £7.6m in the year, primarily due to improved joint venture returns and concessions provided during the pandemic in 2020/21 not repeated during the year.

Publication Data

– required under the Defra Grant Agreement

Publication Data – required under the Defra Grant Agreement

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

The Network Stewardship Score is a combined measure of functionality of, and the public benefit delivered by the waterway network. The baseline index was set at 100 in 2008 and it is calculated annually based on a range of indicators, with good performance being reflected by higher results. All Principal Waterway Assets are measured and categorised according to condition. A structure in condition A is in a good state of repair and one in condition E is in a bad condition. Embankments and culverts are included within the definition of Principal Assets but towpaths are dealt with as a separate category and are graded according to condition grades from A to E where A is described as very good and E is bad.

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

Publication Data		
Measure	Description	Outcome Result
Network Stewardship Score	A combined measure of waterway functionality and public benefit as at 31 March 2022.	136 (2021: 136)
Safety		
Number of reported incidents involving customers relating to infrastructure failure	The numbers of injuries where an infrastructure defect was a significant contributory cause, for the year ended 31 March 2022.	56 (2021: 53)
Number of reported incidents involving employees	The numbers of injuries for the year ended 31 March 2022.	129 (2021: 111) total employee recorded injuries of which 13 (2021: 7) were HSE Riddor reportable, 10 were "over 7 day" absences (2021: 6), 2 were major Injury (2021: 1) and 1 Death (2021: 0).
Percentage of waterway assets in Classes D and E*	Based on Principal Asset condition grades. The Relevant Standard is for the aggregate of assets in classes D&E not to exceed 25% of the total.	12.85% (2021: 12.89%)
Towpaths		
Number of towpath visitors (based on annual survey data)	Number of visits and visitors for the year ended 31 March 2022. This is based on a survey of members of the public, expressed in millions.	Total visits 786m (2021: 743m) Average visitors during a two week period 9.1m (2021: 8.3m)

Governance Overview

Publication Data

Measure	Description	Outcome Result
Number and duration of unplanned towpath closures	Defined as unplanned closures that are caused by asset or infrastructure failure for the year ended 31 March 2022.	Number of closures 11 (2021: 19) Number of closure days 281 (2021: 429)
Percentage of towpaths in conditions A to C*	The Relevant Standard is no less than 60% aggregate in conditions A to C.	81.39% (2021: 81.33%)
Flood management*		
Percentage of principal culverts and embankments in classes D and E	The Relevant Standard is for the aggregate of flood management assets in classes D and E not to exceed 4% of the total flood management assets.	0.45% (2021: 0.57%)
Sites of Special Scientific Interest (SSSIs)		
Percentage area of SSSIs under Trust management in favourable or unfavourable recovering condition	The data is available only for sites in England and is obtained from Natural England. It covers a total of 701 (2021: 701) hectares of SSSI sites under the Trust's management.	Favourable 41.1% (2021: 39.5%)** Unfavourable recovering 27.4% (2021: 27.8%)
Heritage		
Percentage of Heritage Assets assessed on completion of work as good or adequate with double weighting given to good assessments	This measure includes work on several assets that have heritage qualities and is not limited to waterway infrastructure assets only.	98.00% (2021: 96.30%)
Volunteer participation		
Number of volunteer days contributed to the Trust	Number of volunteer days for the year ended 31 March 2022.	84,816 days (2021: 31,573 days)
Trust owned housing forecast figures		
	Based on the property development activity on the Trust's sites (including joint ventures) – actual for the year ended 31 March 2022 and forecast for the year ending 31 March 2023. <i>(These figures also include development sites previously disposed of by the Trust. These are not formally monitored by the Trust and are reported on the basis agreed previously with the Homes and Communities Agency)</i>	2021/22: 1,169 (2020/21: 197) residential units completed. 2022/23: 1,332 units under construction currently. A further 1,613 units anticipated to commence construction before April 2023. Approximately 1,929 units forecast to be completed in 2022/23.

* These comprise the Relevant Standards for the purpose of the conditional element of the Defra Grant. The information in the table above demonstrates that the Relevant Standards have been met for the period to 31 March 2022 and accordingly the Trust will apply for payment of the conditional portion of the Defra Grant funding for the year ending 31 March 2022 which comprises £10m.

** The increases in the areas of Trust land which are in a Favourable or Unfavourable recovering condition is due to improvement in the condition of the River Kennet SSSI following its assessment in December 2021, and to further refinement of the data used to calculate the figures.

Governance Overview

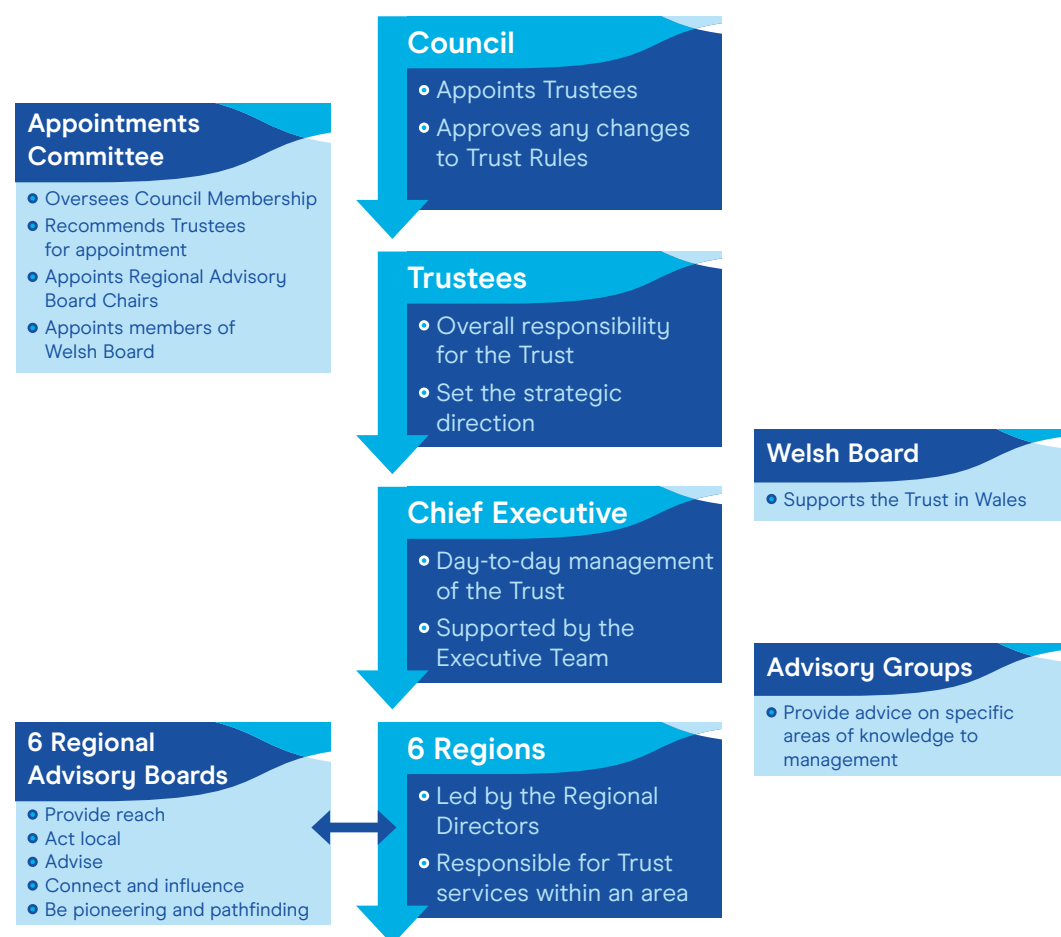
The Canal & River Trust is a charity registered with the Charity Commission in England and Wales (charity number 1146792). It is also a company limited by guarantee (company number 07807276) and does not have share capital. The Trust's governing documents are its Articles of Association and Trust Rules which are available on the Trust's website.

In 2021/22, the Trust had one principal wholly owned trading subsidiary, Canal & River Trading CIC. The Canal & River Trading CIC is a community interest company that carries out trading and investment activities. The main activities are in property development and investing in joint ventures. Profits arising in the Trust's subsidiaries are donated to the Trust. In turn, the Trust uses the revenues in support of its charitable purpose of maintaining and operating the inland waterway network and carrying out other charitable work in relation to inland waterways, such as conservation and education. A summary showing the Trust's subsidiaries and their results appears in note 17 in these accounts.

In setting objectives and planning our activities the Trustees have given due consideration to the Charity Commission's guidance on public benefit. Further details on our strategy and public benefit can be found on pages 53 to 58.

As a charitable company, the Trust upholds the highest standards of governance. The Trust applies the Charity Governance Code, which sets out the principles and recommended practice for good governance in charities.

The Trust's governance arrangements are organised as below:



The Council

Role

The Council consists of the members of the Trust. The Council has several duties including being responsible for appointing and removing Trustees. The role of a Council member is voluntary and unremunerated, although reasonable expenses may be paid.

Membership

The Council may have up to 50 members. At 31 March 2022, it had 36 members drawn from the different communities that use or benefit from the waterways, including boaters, canoeists, walkers, cyclists, heritage, local government, environment, and community groups. 11 members are elected and a further 15 nominated by specified organisations. 3 Council members are co-opted on the recommendation of the Joint Council & Trustees Appointments Committee to provide the Council with the full complement of skills and expertise required. The 6 Regional Advisory Board Chairs sit on Council as members, *ex-officio*, along with 1 member of Bwrdd Glandŵr Cymru (Welsh Board). At the start of the 2021/22 financial year, a number of newly elected members and new nominated members joined Council. A list of membership can be found at page 173.

One Council member is elected as a User Representative Observer to the Waterways Ombudsman Committee. This is a non-voting post, appointed annually. From June 2021 until June 2022, the User Representative Observer nominated by Council was Dave Mendes Da Costa.

Key Activities

The Council ordinarily meets twice a year, in September (which is usually the Trust's Annual General Meeting) and in March. In 2021/22 both Council meetings were held as hybrid meetings, with Members able to attend in person again, thanks to lifting of Covid restrictions, or virtually if they preferred to. The September AGM and 22nd Council meeting were held at the National Waterways Museum in Gloucester and the March Council meeting was held in Leicester.

The Trust values the experience and input of Council members and continued to maintain contact in the following ways:

- Regular reports from the Executive Team on key business areas were circulated to Council.
- At the Council's request, the Board agreed to provide further updates in connection with Trustee appointment.

Council undertook the following key activities at its September 2021 meeting:

- Approved the re-appointment of two Trustees, namely, Jennie Price CBE and Sarah Whitney.
- Received the Report of the Joint Council & Trustees Appointments Committee.
- Received an update on the Financial Audit and noted the delay in publication of the Annual Report & Accounts.
- Received an activity update from the Chief Executive, including updates on Covid-19 impacts and the road to recovery, priority works and Toddbrook Reservoir repair works.
- Received an update on Trust colleague engagement.
- Received an update on marketing activities and campaigns.

At the March 2022 meeting, Council:

- Received the Report of the Joint Council & Trustees Appointments Committee.
- Received an activity update from the Chief Executive, including the completion of the winter work programme, the impact of storms Eunice and Franklin, volunteer and community activities, a further update on Toddbrook Reservoir repair works and the finalisation and opening of the Unlocking the Severn project.
- Received an update on the progress of the Government Grant Review negotiations.
- Received a presentation on Disabled Boaters from Council member, Tracey Clarke.
- Received a presentation from the Waterways Ombudsman, Sarah Daniel.

The Board of Trustees

Role of the Board

As the principal governing body of the Canal & River Trust, the Board of Trustees (the Board) is responsible for governing or directing the Trust and for approving strategy and policy to deliver the Trust's charitable objects. The Trustees are also the Directors of the charitable company. The term Trustees has been used throughout this report but refers to both roles. Trustees have ultimate responsibility for the Trust's funds and assets, including its reputation. The Board has four committees and a working group, to which it has delegated specific decisions through its Scheme of Delegation and Terms of Reference:

- Audit & Risk Committee
- Investment Committee
- Remuneration Committee
- Infrastructure Committee
- Grant Review Trustee Working Group

In addition, three Trustees are also members of the Joint Council & Trustees Appointments Committee.

The Board has approved a Scheme of Delegation, which identifies matters delegated to committees or postholders within the Trust. Responsibility for certain matters is retained by the Trustees, which generally fall within four areas:

- Structure and governance, including making changes to governance, overseeing risk management, approving the formulation of subsidiaries and the initiation of any major litigation.
- Planning and reporting, including approving the annual budget and long-term plans, recommending the Annual Report and Accounts and monitoring performance against plans.
- Financial aspects, including approving a framework of financial controls, expenditure or certain commitments over a limit, and novel or contentious projects.
- Certain matters related to pensions.

In addition to the Scheme of Delegation, specific matters are reserved to Committees or individuals by the Trust's Articles of Association, Trust Rules, and Terms of Reference for Committees.

Board Membership

Trustees are appointed by the Council, which is supported in this process by the Joint Council & Trustees Appointments Committee.

Ten Trustees served on the Board during the reporting period. At the Council AGM on 21 September 2022 Allan Leighton and Ben Gordon's terms of office came to an end. At the same meeting, David Orr CBE, Bronagh Kennedy and Ian Peters were appointed as Trustees. At the Board meeting on 22 September 2022 David Orr was elected by the Board as Chair of the Trustees. Biographies for all these Trustees can be found on pages 166 to 170. All Trustees are voluntary, unremunerated, non-Executive appointments. Trustees may be appointed by Council for three terms after which they must retire from the Board and are then subject to re-appointment by Council for any further term not earlier than 12 months later.

Trustees are appointed to several different committees during their term of office. One Trustee, Janet Hogben, is nominated as one of two Trust non-voting representatives on the Waterways Ombudsman Committee (the other nominee being the Legal & Governance Director). In addition, a further Trustee, Sue Wilkinson, is appointed as a Trust's nominated Safeguarding Trustee and is a member of the Trust's Safeguarding Steering Group Committee.

The Trust has appointed a Company Secretary, who Trustees are able to access for advice. The responsibilities of the Chair, Deputy Chair and Executive Team are clearly set out. In addition, each Committee has approved Terms of Reference which are subject to regular review.

Meetings

The Trust Board meets, together with the Executive team, six times a year to review progress and ensure that the Trust is on track to meet its strategic plan and objectives, and to review strategy and business plans as appropriate. Ordinarily, meetings are held around the country, with one meeting held in each of the Trust's six regions across the financial year. At the end of each meeting, Trustees hold a private session, without the Executive team present.

Attendance of Trustees at board meetings and committees can be found in the table below.

Board Evaluation

In line with the Charity Governance Code, an external review of the Board's effectiveness was undertaken by Campbell Tickell in 2021, with a separate Board discussion held in January 2022 to consider recommendations and how they could be incorporated. Improvements in Board agenda setting, reporting, and facilitating more strategic Board discussions have been made in response to the external review.

Attendance

Where Trustees could not attend meetings, they received papers and were invited to submit questions/ comments to the Chair in advance of the meeting. The Executive Team were available for discussion, should the Trustee require any further information.

	Trust Board	Audit & Risk Committee	Joint Council & Trustees Appointments Committee	Investment Committee	Remuneration Committee	Infrastructure Committee	Grant Review Trustee Working Group
Allan Leighton	8/8		0/4	2/4			
Dame Jenny Abramsky	8/8	4/4	4/4				12/12
Nigel Annett CBE	8/8	3/4		4/4		6/6	
Ben Gordon	7/8				5/5	4/6	
Janet Hogben	8/8		2/4		4/5	5/6	
Sir Chris Kelly	8/8	4/4				5/6	11/12
Jennie Price CBE	8/8	4/4				6/6	12/12
Tim Reeve	7/8			1/4			6/12
Sarah Whitney	8/8			4/4			
Susan Wilkinson	8/8				5/5		
Robert Milburn*		4/4					
Ian McCarthy*			4/4				
Andrew Phasey*			3/4				
Phil Prettyman*			2/4				
Nick Ritblat*				2/4			
Tim Sketchley*				4/4			
Diane Seymour-Williams*				4/4			

* committee Member but not a Trustee

Board Induction and Training

The Trust provides appropriate resources for Trustees' professional development. Deep-dive sessions are arranged as and when required and are usually delivered at the relevant committee meeting.

Independence and Conflicts

The Board has ensured there are adequate processes in place to identify and manage conflicts of interests should they arise. All Trustees, co-opted members of committees and Executive Team members complete an annual declaration of interests return and are under a further duty to notify of any conflicts at the start of each meeting. When considering any conflict, current or potential, Trustees and Co-opted members are able to draw upon the advice of the Company Secretary but the decision on how to manage the conflict rests with the Chair of the Board or Committee. The Board approved a Conflicts of Interest Standard during the year.

Key Decisions in the Year

Trust Board meetings during the financial year covered a number of matters. Key matters considered by the Board during the financial year include (not exhaustive):

- Revising the business plan to respond to programme delays and inflation rises
- Reviewing strategic programmes
- Reviewing reservoirs and high-risk assets
- Undertaking the annual strategic review of risk
- Matters relating to the Government Grant Review

Trust Culture and Values

Trustees recognise the importance of setting high business standards and embedding a positive and high performing culture across the Trust. Trustees, upon appointment, confirm that they will execute their duties to the standard required by law and regulation and will uphold the Trust's culture and values.

Diversity and inclusion

The Canal & River Trust values the rich social and cultural diversity of the communities in which we operate and seeks to ensure that equality, diversity, and inclusion are embedded in everything we do. We promote and facilitate access to our services and waterways by all sections of society whilst recognising the challenges our infrastructure and environments can present due to their age, heritage, and relatively inaccessible design. We commit to providing accessible services as far as practicable at our main attractions, museums, and key offices. We also try to involve a range of users to help shape our services, for example member and live aboard boater Tracey Clarke shared a range of issues identified by disabled boaters at the March 2022 Council meeting. Embracing diversity and inclusion is imperative to the success and sustainability of the Trust, to ensure we reflect the involvement of the communities around us and access the widest possible talent base, enhancing our overall capability whilst also providing a richer range of experiences and perspectives, improving the quality of our plans and decision-making.

The Trust has an established people champion, LGBTQ+ and working parents' networks, and has appointed an Inclusion & Diversity Partner. The Trust is committed to supporting people with mental health issues and has established a team of Mental Health First Aiders from all areas of the Trust to support colleagues as needed.

The Trust's policies and procedures (summarised our Equality and Diversity Statement and Dignity and Respect Statement) fully support our disabled colleagues and those with other protected characteristics, particularly in the areas of recruitment (where we give full and fair consideration for applications made by disabled people, having regard to their particular aptitudes and abilities and what reasonable adjustments can be made by the Trust), for making reasonable adjustments for continuing the employment and training for employees who have become disabled persons during the period when they were employed by the Trust and generally for the training, career development and promotion of disabled persons employed by the Trust.

Gender Pay Reporting

The Trust strives to achieve gender equality across all aspects of our employment and monitors the pay gap between male and female employees on an annual basis.

The Trust is required to calculate its gender pay gap annually based on a snapshot date of 5th April. It then has 12 months to publicly report this data meaning that the reporting is often 12 months in arrears.

Our Population

As at April 2022 30% of all Trust employees were female. 54% of all women within the Trust are employed in professional level roles or higher (56% in 2021) and 37% of our senior management population is female (37% in 2021).

Our Gender Pay Gap

For 2020/21 our mean (average) gender pay gap was -2,79%. This means that on average women are paid 2.79% more than men.

Further information on the Trust's gender pay reporting can be found on both the GOV.UK website (search for Canal & River Trust) and the Trust's website.

Safeguarding

The safeguarding of children, young people and adults at risk is a legal and organisational priority for the Trust. The Trust takes seriously any report of suspected harm, abuse or neglect. We are committed to identifying and minimising safeguarding risks across all of our activities through appropriate training, risk assessments, policies, and processes. The Trust operates safe and transparent recruitment practices, which incorporate appropriate DBS checks. The Trust risk assesses criminal records and does not engage anyone who is deemed to present an unacceptable level of risk. The Trust has an approved Safeguarding Policy, which provides clear details of the Trust's approach to safeguarding and reporting process. The Safeguarding Policy is supplemented by working protocols, guidance documents and training.

The Trust's Safeguarding Steering Group, which is responsible for key strategic safeguarding decisions, is chaired by our Chief Executive and is attended by the nominated Safeguarding Trustee Member, Susan Wilkinson. The Trust has a Safeguarding Team, headed up by a Designated Safeguarding Officer and Deputy Safeguarding Officer. The team is responsible for: regularly reviewing and enhancing the Safeguarding Policy and associated practices in line with organisational developments and Charity Commission Guidance; effective management of safeguarding cases; providing advice and guidance; and reporting to the Trust's Safeguarding Steering Group.

In line with the Trust's commitment to continuous improvement in this area, the Trust continues to enhance safeguarding protections within its relationships with third parties.

Fundraising

The Trust is committed to ensuring that our fundraising practices go above and beyond guidance and regulation. The Trust is a member of the Institute of Fundraising and registered with the Fundraising Regulator. The Trust adheres to the Code of Fundraising Practice and is committed to the Fundraising Promise. There were no issues of non-compliance with the Code of Fundraising Practice during the 2021/22 financial year. This section of the annual report covers the requirements charities must follow as set out in the Charities (Protection and Social Investment) Act 2016.

The Trust requires a significant amount of funds to fulfil its charitable purpose. Further details on resources, both income and sources, can be found in notes 3 to 6 of the accounts.

The Trust's fundraising effort involves encouraging donations and gifts in wills. The Trust's in-house fundraising team sometimes engage professional fundraisers to help deliver face-to-face fundraising and the Trust uses third-party suppliers to help deliver fundraising activity where the Trust does not have the expertise in-house. The Trust aims to ensure those agencies also observe the highest standards in terms of fundraising practice. The Trust, when working with suppliers and agencies, ensures that they are registered with all the appropriate regulatory bodies, reviewing all their policies as part of the procurement process. The Trust is actively involved with the training that agency fundraisers undertake,

investigates any complaints and takes necessary action. The Trust continually monitors its agencies to ensure they adhere to the strict guidelines set by the Trust.

The Trust does not pressure supporters to make gifts and respects supporters decisions to stop giving. The Trust has a Fundraising & Adults in Vulnerable Circumstances Policy which all of our fundraisers adhere to.

The Trust's website outlines the complaints policy and clearly explains how an individual can complain. Complaints resulting from any fundraising practices are monitored and recorded in accordance with the Fundraising Regulator's Fundraising Promise. In the 2021/22 financial year 3 complaints were received (2020/21: 6 complaints).

The Trust has also signed up to the Fundraising Preference Service to enable individuals to opt out from receiving fundraising communications from us. The Trust actioned 1 request from this service during the 2021/22 financial year.

The Executive Team

The Chief Executive reports directly to the Trust Board and has been delegated responsibility for the day-to-day management of the Trust, as well as the implementation of the Trust's strategy and policies. The Chief Executive is assisted by his Executive Team. There is a clear division of responsibilities between the Trust Board and the Executive Team, with clear role descriptions in place. Biographies of each member of the Executive Team and their areas of responsibility can be found at page 170 to 172.

Joint Council and Trustees Appointments Committee

Role

The purpose of the Committee, as stated in the Trust's Articles of Association, is to oversee Council membership, help the Council appoint Trustees, appoint Regional Advisory Board Chairs and appoint the Chair of the Bwrdd Glandŵr Cymru.

Membership

The membership of the Committee is determined by the Trust's Articles, which stipulate there to be an equal number of Council members and Trustees, with a minimum of two drawn from each constituency group.

Each member's appointment to the Committee runs alongside their appointment to Council or Trust Board. Trustees are recruited to the Committee dependent upon their skills and experience. Council members are recruited to the Committee by an open election amongst eligible members.

During 2021/22, the membership of the Committee comprised of:

Dame Jenny Abramsky	Trustee (Chair)
Allan Leighton	Trustee
Janet Hogben	Trustee
Ian McCarthy	Council Member
Andrew Phasey	Council Member
Phil Prettyman	Council Member

Key activities

The Committee meets as and when required. During the 2021/22 financial year, the Committee met four times. In September 2021, the Committee recommended to Council the re-appointment of two Trustees and in November 2021 and January 2022 considered matters relating to Trustee and Regional Advisory Board recruitment.

Succession Planning, Recruitment & Diversity

Council membership is comprised of elected, co-opted and members nominated by organisations identified within the Trust Rules. Upon the Committee's recommendation, two Trustees were re-appointed by Council. The Committee does not have a role in the recruitment and appointment of the Executive Team.

Recruitment of Council Members

The constitution of Council membership for elected and nominated members has the effect that the Committee has no direct role in the appointment of such members. The Committee welcomes nominations of candidates from a diverse background and considers diversity when appointing the posts to Council for which it is responsible.

Recruitment of Trustees

When undertaking recruitment activities, the Committee takes diversity and inclusion into consideration within the search criteria. During the 2021/22 financial year there were no vacancies for Trustees. Where a Trustee vacancy occurs, a skills audit is used to inform the search process. The Trust's focus upon diversity is interwoven through the recruitment process. Vacancies are advertised widely through open advert. Individual applications are assessed upon merit and against objective criteria, to identify a short-list of candidates.

The preferred candidate is usually proposed to the September AGM of that year.

The Trust voluntarily complies with Hampton-Alexander Review which has set a target of at least 33% of Board membership to be female. The Trust currently performs well above target, with a gender-balanced Board of 50% male and female members.

Audit & Risk Committee

Role

The main responsibilities of the Audit & Risk Committee are to provide assurance and recommendations to the Trustees on the effectiveness of its governance, internal control, and risk management framework.

Membership

The membership of the Committee is comprised mostly of independent Trustees and one co-opted member with recent and relevant financial experience. The Chair of the Trust Board is not a member of the Committee.

Sir Chris Kelly	Trustee (Chair)
Dame Jenny Abramsky	Trustee
Nigel Annett CBE	Trustee
Jennie Price CBE	Trustee
Robert Milburn	Co-opted Member

The Committee held four scheduled meetings during the financial year.

Key Activities

At each meeting the Committee receives and discusses a number of standing items such as the Chief Executive's report, risk reporting and internal audit progress reports. The Committee undertook the following key activities within the year:

- Reviewed the 2020/21 annual report and accounts
- Received risk management updates, including reviewing the corporate risk register; and preparing for the annual strategic risk discussion at Trust Board
- Received updates on the policy and assurance framework
- Received and discussed annual reviews of cyber security and subsidiary companies
- Reviewed the proposed approach to the Trust's "re-imagining" programme
- Received any reports of whistleblowing, fraud, bribery
- Reviewed internal audit reports (see below)
- Reviewed compliance against the Charity Governance Code and Wates Principles

Audit & Risk Committee's Performance & Training

During the year the Committee completed an effectiveness review and received updates on recommendations, and also undertook deep-dive sessions on mechanical & engineering equipment, health & safety audit, and risk management.

Review of Systems of Internal Controls

The Trust Board has overall responsibility for the Trust's risk management and internal control systems but has delegated specific areas of oversight to the Committee. The Trust undertakes a continual review of risks and internal controls. The Trust Board, via the Audit & Risk Committee, monitors the effectiveness of those internal controls. In addition, assurance is provided by Grant Thornton, the Trust's internal auditors.

Internal Audit

The Committee undertook the following activities in relation to internal audit:

- Reviewed internal audit reports, progress reports and the internal auditor's annual report
- Assessed effectiveness, engagement and remuneration of the internal auditors
- Approved the internal audit charter and plan 2022/23
- Held a private meeting with Grant Thornton, without the Executive Team present

External Audit

The Committee undertook the following activities in relation to external audit:

- Assessed the effectiveness, engagement and remuneration of BDO, the Trust's external auditors
- Approved the external audit strategy
- Reviewed and monitored BDO's independence
- Held a private meeting with BDO, without the Executive Team present
- Reviewed BDO's audit findings report

The Trust has in place a non-audit services policy which safeguards BDO's independence and objectivity. This is also reflected in the Terms of Reference for the Audit & Risk Committee. The Trust has voluntarily adopted the Financial Reporting Council's 70% cap on fees for non-audit services provided by the External Auditors. Proposed fees in excess of £20k require the Committee's prior approval. Non-audit fees are reported to the Committee, at least annually, to ensure oversight from the Committee.

Risk Management

- The Trust maintains a corporate risk register which ranks all known risks according to likelihood and impact (after current mitigation actions are taken into account). The ranking is built up by considering the financial, reputational and operational impact and a specific risk factor relating to loss of life and property.
- The Trust Board has overall responsibility for the Trust's risk management and internal control systems but has delegated specific areas of oversight to the Audit & Risk Committee (ARC).
- The ARC regularly undertakes a review of risks and the internal controls measures in place and monitors the effectiveness of those internal controls. In addition, assurance is provided by Grant Thornton, the Trust's internal auditors who undertake a targeted programme of audits during the year.
- The Trust's risk register is reviewed by the Board during its annual review of risk and this is used to review the sufficiency of controls and mitigation around each key risk (including the setting of an annual programme of internal audit reviews) and to drive the allocation of Trust focus and resources.
- The Trust has a framework of policies and standards which contain measures to manage risk and is developing an assurance framework in relation to key compliance obligations and policy commitments.

Risk Tolerance

- The Trust is responsible for a historic waterways network that is subject to a range of safety risks, given the inherent age and condition of the infrastructure, the impact of climate change, including more frequent and more intense extreme weather events (associated with the changing climate) and the relatively open and easily accessible nature of the waterways.
- In light of this, we adopt an approach to risk that seeks to minimise all public safety risks, given the potential harm to people and communities if the network is not well managed and maintained, whilst recognising that these risks can never be completely removed.

- We are also committed to creating a safe environment and safe ways of working for all our people (colleagues and volunteers), as well as the general public, and those partners who help us in our stewardship of the waterways.
- The Trust will generally accept a higher risk tolerance in other areas of our work, for example in seeking investment returns and generating income.

Key Strategic Risks

The 10 key risks managed by the Trust in order of appearance on the Trust's corporate risk register are as follows:

Risk	Mitigating Actions
High risk asset failure – a risk of failure of specific Trust assets (e.g. reservoirs, embankments) which could have significant consequences for public safety, particularly given their water impounding function.	<ul style="list-style-type: none"> • Full compliance with legislation (e.g. Reservoirs Act 1975) • Regular monitoring by specialist reservoir and other asset engineers • Implementation of Trust risk-based asset management approach • High risk asset investment programme • Maintenance and regular review of emergency and contingency plans • Modelling of higher risk assets for breach consequence • Oversight of the Board Infrastructure Committee
Condition of other operational assets – a risk of failure or deterioration of other Trust assets with potential consequences for public safety and service delivery	<ul style="list-style-type: none"> • Works programme management arrangements • Regular progress reporting on works delivery • Asset inspections prioritising safety defects • Long term asset strategy
Financial sustainability – a risk of inability of the Trust to maintain sufficient financial resources to adequately maintain and operate the inland waterway network and delivery of its charitable objects, particularly in a high-inflationary economic environment	<ul style="list-style-type: none"> • Long term financial planning, with Board oversight • Annual business planning process, with review of productivity improvements • Implementation of the Trust's Treasury Management Policy • Regular liquidity forecasting • External audit and oversight of the Trust's Audit & Risk Committee
Safety of general public – a risk of failure to provide a safe environment for visitors of the Trust's inland waterway network, balancing the needs of various user groups	<ul style="list-style-type: none"> • Implementation of the Trust's Visitor Risk Assessment Standard and implementation of suitable mitigation measures • Participation in local Water Safety Partnerships • Active monitoring and reviewing of infrastructure-related safety incidents involving members of the public

Risk	Mitigating Actions
Safety of boating customers – a risk of failure to provide a safe environment for our boating customers	<ul style="list-style-type: none"> • Colleague and volunteer training on boater safety advice • Implementation of Trust navigation standards • Undertaking visitor risk assessment with boater-specific mitigation measures • Participation and sponsorship of the Boat Safety Scheme • Partnership working with stakeholder groups, such as the Trust's Navigation Advisory Group
Insufficient Government grant funding – a risk of the inability to secure sufficient funding from Government after the expiry of the current Grant Agreement in 2027	<ul style="list-style-type: none"> • Active engagement with Defra officials during grant review • Political engagement with MPs and Government Ministers • Case-making and influencing with key stakeholders • Oversight of the Grant Review Trustee Working Group
Water abstraction licensing – a risk of an inability to secure water abstraction licences to provide the Trust's inland waterway network with sufficient water resource in the light of the removal of exemption for navigation authorities under the Water Act 2003	<ul style="list-style-type: none"> • Understanding and modelling of water resource needs by the Trust's expert hydrologists • Close working with the Environment Agency and Natural Resources Wales • Submission of over 150 applications for licences in good time prior to statutory deadlines • Appeals against unfavourable decisions
Colleague safety – a risk of failure to provide a safe working environment for Trust colleagues and volunteers	<ul style="list-style-type: none"> • Application of health and safety policies and standards, including risk assessment • Mandatory health and safety training for all colleagues and volunteers • Health and safety Incident reporting and investigation
Shortage of key skills – a risk of inability to ensure that key skills in competitive areas (e.g. engineering) are brought in to the Trust and retained, particularly in a competitive jobs market with labour shortages in some areas	<ul style="list-style-type: none"> • Regular review of reward policy and levels with oversight by the Trust's Remuneration Committee • Development of colleague careers • Identification and focus on specific areas of skills for recruitment
Fluctuating commercial income – a risk of the inability to general sufficient commercial income to secure the Trust's financial sustainability	<ul style="list-style-type: none"> • Close monitoring of economic conditions and financial markets • Expert advice on property and non-property investment with oversight of the Trust's Investment Committee • Increased diversification of investments

Investment Committee

Role

The Investment Committee provides non-executive oversight and assurance for the Board in respect of the Trust's investments and other commercial activities, supervising the implementation of the Group Investment Policy for the Protected Asset Fund Portfolio, including investments in subsidiaries and joint ventures, as well as oversight of its own property and utilities activities. The Committee also manages the ongoing relationship with the Protector who is jointly appointed by the Trust and Defra under the terms of the Grant Agreement.

Membership

The Committee comprises Trustees and three co-opted members. During the reporting period, the following were members of the Committee:

Sarah Whitney	Trustee (Chair)
Allan Leighton	Trustee
Tim Reeve	Trustee
Nigel Annett CBE	Trustee
Nick Ritblat	Co-opted Member
Tim Sketchley	Co-opted Member
Diane Seymour-Williams	Co-opted Member

The Committee met seven times during the financial year, two of which were ad-hoc meetings.

Key Activities

At each scheduled meeting, the Committee reviews a number of standing items relating to financial performance and investment updates for property, joint ventures and financial assets, which includes a full quarterly review with the Trust's investment manager, Partners Capital (operating on a fully delegated mandate subject to the terms of the Trust's Group Investment Policy).

During the year, the Committee undertook the following key activities:

- Received the annual property valuation
- Received updates on, and discussed the impact of, Covid-19 on the Trust's investments and commercial activities
- Discussed and recommended the Group Investment Policy to the Trust Board
- Reviewed the Trust's liquidity, received updates on the Trust's joint ventures and updates on property environmental risk
- Received the Protector's report
- Received the MSCI (market benchmark) report to the 31 March 2021 year end
- Discussed and commented upon the Investment Directorate's business plan

Ad-hoc meetings were held during the year to consider the purchase or disposal of property.

Investment Committee's Performance & Training

During the year the Committee reviewed its performance against its terms of reference. Training for members is available as and when required. During the year a deep-dive sessions were held on business boating property and the Utilities business area.

Remuneration Committee

Role

The Remuneration Committee oversees the remuneration policies for the Trust, with particular focus on the remuneration of the Executive Team and key management personnel. The Committee determines the overall reward and remuneration strategy for the Trust, including any annual or periodic pay award. It approves the design of, and determines targets for, any performance-related pay scheme operated by the Trust for any Executive Directors. The Committee is able to take independent advice, as necessary, to inform those judgements.

When making decisions the Committee also takes into consideration affordability for the Trust, and the fact that the Trust operates in the third sector. The Committee continues to be satisfied that the level of Executive pay is appropriate to the responsibilities of the posts concerned.

Membership

The Remuneration Committee is constituted solely of Trustees. During 2021/22 the following served on the Remuneration Committee during the year:

Ben Gordon	Trustee (Chair)
Janet Hogben	Trustee
Sue Wilkinson	Trustee

The Executive Team are not present when any decisions regarding their remuneration are made.

The Committee met five times during the financial year.

Key activities

The Committee undertook the following key activities:

- Received an update on the Trust's structure review and on People projects
- Reviewed pay and reward for all colleagues, including the Executive Team
- Reviewed market data on bonus and executive pay
- Received and discussed gender and ethnicity pay

Infrastructure Committee

Role

The Infrastructure Committee provides oversight, assurance and expert advice in relation to the Trust's major asset improvement programme and considers issues of delivery and risk together with questions of economy and efficiency.

The Committee advises the Board with regard to:

- the delivery of the Trust's asset improvement programme, including consideration of risk, organisational capability and the efficiency, effectiveness and economy of delivery of the programme;
- the approval of the annual projects plan and specific major projects by the Board, ensuring they are reviewed and developed thoroughly;
- the adequacy of progress in delivery of the programme and major projects;
- other aspects of the asset improvement programme as it considers appropriate; and
- examination and commentary upon the Trust's Asset Strategy and Asset Management Plan.

Membership

The Infrastructure Committee is constituted solely of independent Trustees. During 2021/22 the following members served on the Infrastructure Committee:

Nigel Annett CBE	Trustee (Chair)
Ben Gordon	Trustee
Janet Hogben	Trustee
Sir Chris Kelly	Trustee
Jennie Price CBE	Trustee

The Committee met six times between during the year.

Key Activities

The Committee undertook the following key activities:

- Reviewed the proposed asset management content for Business Plan 2022
- Reviewed selected major schemes in 2021-2024
- Received an update on the new civil engineering contract
- Reviewed the high-risk infrastructure programme and approach to de-risking
- Discussed the Government Grant Review 20-year plan

Grant Review Trustee Working Group

Role

In recognition of the importance of the Defra grant to the Trust, the Grant Review Trustee Working Group was established to oversee the Trust's interaction with Defra's Grant Review process, providing high-level input, advice and commentary and helping to develop the Trust's case for continued Defra funding post-2027, including identifying strengths and weaknesses in the Trust's case, and to assist in engagement with Ministers, Officials and other stakeholders as appropriate (not limited solely to Defra and the Treasury) to help communicate the Trust's position.

Membership

The Grant Review Trustee Working Group is constituted solely of Trustees. During 2021/22 the following served on the Grant Review Trustee Working Group:

Jennie Price CBE	Trustee (Chair)
Dame Jenny Abramsky	Trustee
Sir Chris Kelly	Trustee
Tim Reeve	Trustee

Key Activities

The Grant Review Trustee Working Group's activities have been focused upon reviewing the development of the Trust's strategic case for future funding. The Grant Review Trustee Working Group has made suggestions on the structure and framing of the case and acted as a critical friend as the case has developed.

Other Governance Arrangements

The Trust has several committees that sit outside its central decision-making framework.

These Committees are advisory in nature and help the Trust embed and develop its strategy.

Bwrdd Glandŵr Cymru (Welsh Board)

The Bwrdd Glandŵr Cymru ("the Bwrdd") has an advisory remit and takes a strategic perspective in developing the Trust's work in Wales. It works to ensure the Trust has a good understanding of the needs, issues and opportunities relevant to the waterways of Wales.

The Bwrdd has an important role in working with the Welsh Government and the main all-Wales public institutions. It also works closely with the Trust's Regional Advisory Boards which border Wales.

The membership of the Bwrdd can be found at page 174.

Regional Advisory Boards

The Trust has six Regional Advisory Boards in England which mirror the Trust's operational regional structure. The Regional Advisory Boards are advisory in nature. They help the Trust use local knowledge, ideas and capacity to build relationships, reach the diverse local communities that we serve and translate national priorities into local initiatives. The membership of the Regional Advisory Boards can be found at page 174.

Advisory Groups

The Trust's work is supported by Advisory Groups. These sit outside the formal governance structure of the Trust and are advisory in nature. Their role is to help develop specific aspects of the Trust's strategy. Members of the Advisory Committees are drawn for their skills and experience in specific areas. At present the Trust has Advisory Committees in the following areas: Environmental, Museums, Fisheries & Angling, Navigation, Youth Engagement and Cultural Heritage. The membership of the Advisory Groups can be found at page 174.

Trustees' Responsibilities Statement

The Trustees are responsible for preparing the Strategic Report, the Annual Report and the Financial Statements in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

The Trustees confirm that:

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

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

Going Concern

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

Having reviewed the operational financial projections, and associated cash flow forecasts, as detailed in note 1.2, the Trustees have concluded that the Trust has sufficient resources to continue funding the charitable activities at the current level of operation for the foreseeable future.

This report, including the Director's report and the strategic report, was approved by the Board of Trustees on 26 September 2022 and signed on their behalf by:



Dame Jenny Abramsky



Sir Chris Kelly

Independent Auditor's Report to Members of Canal & River Trust

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2022 and of the Group's incoming resources and application of resources and the Parent Charitable Company's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Canal & River Trust ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2022 which comprise the Consolidated statement of financial activities, the Consolidated and Parent Charitable Company Balance sheets, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and of the Charitable Parent Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, which includes the Strategic Report and Directors' Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report, which are included in the Trustees' report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

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

- adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the Directors of the Charitable Company for the purposes of Company Law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Extent to which the audit was capable of detecting irregularities, including fraud

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

We made enquiries of management, the Audit and Risk Committee and the Trustees. This included the following:

- how they have identified, evaluated and complied with laws and regulations and whether they were aware of any instances of non-compliance;
- their process for detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- any circumstances which may lead to an increased risk of fraud, such as performance related pay packages or loan covenants; and
- which internal controls have been established to mitigate risks related to fraud or non-compliance with laws and regulations.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Charity. These include, but are not limited to, Companies Act 2006, Reservoirs Act 1975, UK GAAP, Charities SORP, employment law and data protection. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and management and inspection of regulatory and legal correspondence if any.

We considered management's incentives and opportunities for fraudulent manipulation of the financial statements (including revenue recognition and the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

Audit response to risks identified:

- We reviewed the financial statement disclosures and sample tested to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- We made enquiries of the Audit and Risk Committee, management and the Trustees;
- We reviewed the serious incident log submitted to the Audit and Risk Committee which includes instances of fraud and non-compliance with laws and regulations and we read minutes of meetings of those charged with governance;
- We identified all remuneration packages subject to performance incentives and ensured that sufficient understanding was obtained of the key performance measures for those packages. For packages which were reliant on the financial performance of the Group, we obtained information in relation to the interaction of those employees with the key judgements and estimates adopted in the financial statements. We also considered other areas in which those employees may interact with the controls and processes of the Group in order to process amendments to the financial statements which may not be bona fide in order to manipulate results.
- We identified all loan covenants applicable to the Group and ensured that we understood any incentive to manipulate the results of the Group to achieve compliance.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; considered completeness of related party transactions; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- We challenged assumptions made by management in their significant accounting estimates in particular in relation to the assumptions related to the valuation of investment properties, the assumptions applied in valuing the pension scheme assets and liabilities, the determination of the useful economic lives of operational fixed assets and assumptions applied in determining provisions.

For the work performed by component auditors, we determined the level of involvement needed in order to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the Group financial statements as a whole. Our involvement with component auditors included the following:

- Issuing detailed Group reporting instructions which set out key aspects of the audit such as component materiality, significant audit and accounting issues from a Group perspective and the key audit procedures to be performed in order to address these; and
- Reviewing the group reporting documents submitted by the component auditors along with the work performed on their audit files to ensure the work performed was sufficient for our purposes and consistent with Group instructions.

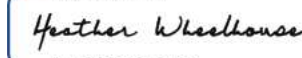
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

DocuSigned by:

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Heather Wheelhouse
 (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor
 Bristol, UK

Date: 26 September 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Financial Statements

for the year ended 31 March 2022

Consolidated statement of financial activities (incorporating the income and expenditure account) for the year ended 31 March 2022

	Note	2021/22			2020/21*	Total £m
		Unrestricted funds £m	Restricted income funds £m	Protected Asset Funds £m		
Income and endowments from:						
Donations and legacies	3	-	6.5	-	6.5	11.5
Charitable activities	4	72.9	0.7	0.1	73.7	78.6
Trading activities	5	83.0	-	-	83.0	77.3
Investments	6	41.8	-	9.6	51.4	48.0
Total Income		197.7	7.2	9.7	214.6	215.4
Expenditure on:						
Raising funds	7	(36.6)	-	(5.0)	(41.6)	(38.0)
Charitable activities	8	(173.6)	(6.5)	(0.1)	(180.2)	(183.3)
Total expenditure		(210.2)	(6.5)	(5.1)	(221.8)	(221.3)
Net (expenditure)/income before gains on investments		(12.5)	0.7	4.6	(7.2)	(5.9)
Net gains on investments	11	5.5	-	78.4	83.9	39.3
Net (expenditure)/income		(7.0)	0.7	83.0	76.7	33.4
Transfers between funds		(1.6)	-	1.6	-	-
Other recognised gains						
Actuarial gains/(losses) on defined benefit schemes	26	-	-	83.9	83.9	(27.8)
Net movement in funds		(8.6)	0.7	168.5	160.6	5.6
Reconciliation of funds:						
Total funds brought forward		19.3	0.6	861.8	881.7	876.1
Total funds carried forward		10.7	1.3	1,030.3	1,042.3	881.7

The above amounts represent all gains and losses recognised during the year. All 2021/22 activities are continuing activities.

The accompanying notes on pages 118 to 165 form part of these financial statements.

* For more detail see note 2

Balance Sheets as at 31 March 2022

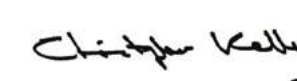
	Note	Group		Canal & River Trust	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021 (Restated*)
Fixed assets					
Tangible assets	13	51.8	51.4	51.8	51.4
Heritage assets	14	-	-	-	-
Investments:					
Property	15	784.7	756.8	619.7	592.0
Diversified investment funds	16	315.8	259.2	315.8	259.2
Subsidiaries	17	-	-	94.1	94.6
Joint ventures	17	14.0	25.0	-	-
		1,166.3	1,092.4	1,081.4	997.2
Current assets					
Stock		1.6	1.1	1.6	1.1
Debtors: amounts falling due within one year	18	75.5	71.6	76.9	73.9
Debtors: amounts falling due after more than one year	18	11.6	12.3	6.8	8.1
Investments	16	2.8	3.0	-	-
Cash at bank and in hand		29.8	36.4	26.6	33.8
		121.3	124.4	111.9	116.9
Current liabilities					
Creditors: Amounts falling due within one year	19	(97.5)	(95.8)	(117.5)	(103.2)
Net current assets		23.8	28.6	(5.6)	13.7
Total assets less current liabilities		1,190.1	1,121.0	1,075.8	1,010.9
Creditors: Amounts falling due after one year	19	(155.0)	(151.7)	(155.2)	(152.2)
Provisions for liabilities	21	(35.3)	(41.9)	(34.6)	(41.7)
Net assets excluding pension fund asset/(liability)		999.8	927.4	886.0	817.0
Pension fund asset/(liability)	26	42.5	(45.7)	107.7	38.4
Net assets including pension fund asset/(liability)		1,042.3	881.7	993.7	855.4
Funds					
Unrestricted Funds:					
General Fund	23	2.8	0.8	10.5	5.5
Designated Funds	23	7.9	18.5	7.9	18.5
		10.7	19.3	18.4	24.0
Restricted Funds:					
Restricted Income Funds	23	1.3	0.6	1.3	0.6
Protected Asset Fund	23	1,030.3	861.8	974.0	830.8
		1,031.6	862.4	975.3	831.4
Total funds		1,042.3	881.7	993.7	855.4

* For more detail see note 29

Approved and authorised for issue by the Board of Trustees on 26 September 2022 and signed on their behalf by:



Dame Jenny Abramsky
Deputy Chair



Sir Chris Kelly
Audit & Risk Committee – Chair

26 September 2022
Company number 07807276
The accompanying notes on pages 118 to 165 form part of these financial statements.

Consolidated statement of cash flows for the year ended 31 March 2022

	2021/22		2020/21	
	£m	£m	£m	£m
Cash flows from operating activities				
Net cash used in operating activities		(73.0)		(44.9)
Cash flows from investing activities				
Rental proceeds from property and utilities investments	58.1		57.9	
Purchase of tangible fixed assets	(6.3)		(6.1)	
Purchase of investment property	(3.2)		(3.5)	
Proceeds from sale of tangible fixed assets	0.5		2.2	
Proceeds from sale of investment property	21.5		14.2	
Net investment in diversified funds	-		(0.6)	
Investment in diversified funds	(35.5)		-	
Withdrawals from diversified funds	20.9		-	
Loans to joint ventures	(3.3)		(11.1)	
Repayments from joint ventures	17.1		9.4	
Receipts from short term deposits	0.2		-	
Net cash provided by investing activities		70.0		62.4
Cash flows from financing activities				
Net interest paid	(3.6)		(4.2)	
Net cash flows from financing activities		(3.6)		(4.2)
Change in cash and cash equivalents in the year		(6.6)		13.3
Cash and cash equivalents at 1 April		36.4		23.1
Cash and cash equivalents at 31 March		29.8		36.4

a) Reconciliation of net income to net cash used in operating activities

	2021/22		2020/21	
	£m	£m	£m	£m
Net income		76.7		33.4
Adjustments for:				
Realised gains on disposals of investment assets	(5.7)		(0.8)	
Net unrealised gains on revaluation of investment assets	(77.9)		(37.6)	
Net finance expense	3.6		4.2	
Rents from property and utilities investments	(57.0)		(54.4)	
Share of net (losses)/gains from joint ventures	(2.8)		0.7	
Depreciation	5.4		5.7	
Diversified funds investment return: dividend income	(4.3)		(3.5)	
Gain on sale of tangible fixed assets	(0.3)		(0.9)	
Difference between payments to defined benefit scheme and amount charged to expenditure	(4.3)		(4.5)	
		(143.3)		(91.1)
Increase in stock		(0.5)		(0.1)
Increase in debtors		(2.7)		(4.2)
Increase in creditors		3.4		2.4
(Decrease)/Increase in provisions		(6.6)		14.7
Net cash used in operating activities		(73.0)		(44.9)

b) Analysis of changes in net debt

	At 1 April 2021 £m	2021/22		At 31 March 2022 £m
		Cash flows £m	Other non-cash changes £m	
Cash and cash equivalents				
Cash	36.4	(6.6)	-	29.8
Borrowings				
Debt due within one year	-	-	-	-
Debt due after one year	(150.0)	-	-	(150.0)
	(150.0)	-	-	(150.0)
Total net debt	(113.6)	(6.6)	-	(120.2)

	At 1 April 2020 £m	2020/21		At 31 March 2021 £m
		Cash flows £m	Other non-cash changes £m	
Cash and cash equivalents				
Cash	23.1	13.3	-	36.4
Borrowings				
Debt due within one year	-	-	-	-
Debt due after one year	(150.0)	-	-	(150.0)
	(150.0)	-	-	(150.0)
Total net debt	(126.9)	13.3	-	(113.6)

Notes to the accounts

1. Accounting policies

1.1 Basis of preparation

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

The financial statements have been prepared in accordance with Charities SORP (FRS102) – Second edition October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006. The Trust has adopted IAS39 in relation to its financial assets and liabilities.

The Trust meets the definition of a public benefit entity under FRS102. The Trust is a Charity registered with the Charity Commission in England and Wales, and a Company limited by Guarantee.

A separate Statement of Financial Activity (SoFA) for the parent company is not presented with the Group financial statements as permitted by section 408 of the Companies Act 2006. The net movement in funds of the parent company is disclosed in note 23 of the financial statements.

1.2 Going concern

The Trust's annual financial planning process, including financial projections, has taken into consideration the current economic climate, as well as the significant financial resources required in order to maintain and repair the canal network, especially in light of climate change. In particular, the Trust has considered the impacts of restrictions as a result of the Covid-19 pandemic experienced over the previous years and the new ways of working that are now established.

The planning process and financial projections have included scenario analysis using the most likely base case including recent inflation rates as well as stress testing. This confirms that the Trust has sufficient liquidity to withstand a significant reduction in income with little cost mitigation and continue in operation whilst meeting its debt covenants. In reality, where the Trust's income is materially impacted, costs can in some cases be reduced to offset the reduction in income, which would reduce liquidity requirements even further. In this stress test scenario, the Protected Assets are assumed to be utilised in order to support liquidity in the short term.

Although the Trust has, and is likely to continue to have, negative free reserves in the short-term, being able to utilise capital from the Protected Asset Fund as a source of funds or a source of collateral for borrowings, offers resilience.

Consequently, in view of these significant resources available to the Trust, the Trustees consider that there are adequate resources to continue in operation for the foreseeable future, and at least 12 months from the signing of the accounts and audit report. In particular, as at 31 March 2022, the Trust had £29.8m in cash and access to £31.3m in liquid funds within 60 days within the Diversified Income Fund. In the longer term, the value of property and non-property assets could fund the activities of the Trust for several years. Accordingly, the Trustees have adopted the going concern basis in preparing the financial statements.

1.3 Significant judgements and sources of estimation uncertainty

Judgements and estimates are continually evaluated and are based on historical experience as well as other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Trust makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are detailed below.

1.3.a Revenue recognition

The Trust often receives payments for right of access to its water space and surrounding areas which are classified as either revenue receipts or lease premiums and accounted for in accordance with FRS102, depending upon the circumstances of the particular agreement. This classification requires some judgement. For example, a contract that does not place any obligation to provide services to the third party in respect of the income received would be accounted for as income on receipt, whereas a contract that is for a fixed period of time over which the Trust will provide services is a lease premium accounted for over the period of the lease.

1.3.b Pension scheme

As described further within the defined benefit pension scheme policy, a judgement is made regarding the pension scheme's investment in a subsidiary of the Trust, which is not recognised as a scheme asset within the consolidated financial statements as this is considered to be a non-transferable financial instrument issued by the Group (IAS 19 Employee Benefits is referred to, as FRS102 is silent on the definition of scheme assets). An asset is recognised in Canal and River Trust, the entity as the Trust's investment in the pension fund is recognised as an investment in the pension scheme accounts, and as outlined in the Trust Deed the Trust has an unconditional right to share any surplus following the wind up of the pension fund. Judgements and estimates are also made, using actuarial guidance, regarding key assumptions in valuing scheme assets and liabilities, and in recognising a scheme asset at entity level. Note 26 sets out the sensitivities regarding the principal assumptions applied in valuing the assets and liabilities of pension scheme.

1.3.c Joint ventures

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

1.3.d Loan notes

The Trust issued £150m loan notes by way of a private placement in 2018. These loan notes are repayable in Sterling, but some contain an embedded derivative that would be realised should the loan notes be repaid before their due date. The Trust has chosen to adopt IAS39 to value these loan notes which values the considerably smaller derivative element rather than adopt FRS102 which would value the entire loan notes. This derivative has been valued at £nil at the year-end (2021: £nil) as it is not material.

1.3.e Useful economic lives of operational fixed assets

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

1. Accounting policies (continued)

1.3.f Major infrastructure provision

Due to the significant requirement to safely maintain the infrastructure of the network, the Trust routinely accommodates independent reviews of major infrastructure assets to comply with the Reservoirs Act 1975 and to assess requirements for rectification or improvement. Following the reviews the Trust receives reports outlining the requirements for action. As a result of the legal requirements outlined in the reports, or due to the Trust's constructive obligation as a result of a published intention to rectify breaches or failures, the Trust establishes a project to address the requirements, including an estimate of the likely costs to satisfactory completion. Due to the legal or constructive obligation to carry out some of the recommended works the Trust provides for the cost when the requirements are known and the costs can be reasonably estimated. The provision balance is estimated at the balance sheet date covering all known requirements at that date. Actual costs will be incurred in future periods and any under or over provision as a result of differences between the estimated costs provided and the actual costs incurred will be recognised in the operating costs in the period they arise.

1.3.g Property investments

Independent professionally qualified surveyors value the Trust's investment property in line with the "Red Book" methodology of the Royal Institute of Chartered Surveyors yet the valuation is based on judgement. Every five years all properties are externally valued, and this exercise was last undertaken in March 2018. In between the five year full valuation cycle, in each year, external surveyors value the top 100 properties by value as at 30 September and 31 March (covering more than 90% of the portfolio by value) plus 25% of the volume of the remainder as at 31 March, such that all properties are valued externally at least once in the four year window prior to full valuation exercises, ensuring property values are materially correct. Those properties that are not valued externally are valued internally by the Trust's in-house surveying team who are all members of the Royal Institute of Chartered Surveyors.

1.3.h Infrastructure Trust Property Capital Receipts

In 2012, the Trust received under a Trust Settlement Agreement, infrastructure property (see note 1.10). The Trust received legal advice in early 2020 that receipts from capital disposals of infrastructure trust property (a permanent endowment) should be accounted for as restricted funds. In previous years, the Trust has accounted for capital receipts as unrestricted funds, even though, in practice, the proceeds of such receipts have been more than offset by expenditure on improvements to the infrastructure trust property. Hence, although there has been no misallocation of funds, the Trust believes that this historic accounting treatment is not strictly compliant with the Waterways Infrastructure Trust and Charities SORP (FRS102).

Whilst the Trust Settlement Agreement with Defra is clear that 'income' from infrastructure trust property is unrestricted and can be allocated for broad purposes, 'income' is not defined, save that 'capital disposals' are not 'income'. 'Capital disposals' are defined as the sale of freehold or a grant of a leasehold interest (or option to extend) for a term in excess of 60 years, however the Settlement Agreement does not specify how receipts from these disposals should be applied.

We continue to seek concurrence from Defra that the following accounting treatment, which we are currently applying, is appropriate.

- i) Freehold sales and leases that qualify as finance leases are capital disposals and, as the infrastructure property is held on trust, are restricted funds of the charity. The Trust is permitted to accumulate such funds and invest them to earn income or to spend them on improvements to the infrastructure assets themselves. The Trust has significant demands for improvements to the infrastructure property and so the Trust's policy is to expend such funds in the year of receipt so there is always a nil balance remaining on the restricted fund.
- ii) Operating leases are not capital disposals and income generated there from is treated as unrestricted income of the Trust as permitted under the terms of the settlement agreement.
- iii) Income from incidental exploitation of the infrastructure property where the Trust retains an obligation (e.g. income from agreements for surface water discharge), is recognised as unrestricted income over the life of the agreement per para 23.A34 of FRS102.
- iv) One-off income from incidental exploitation of the infrastructure property where the Trust retains no obligations (e.g. airspace rights for bridge crossings or rights to install pipes or cables) is recognised as unrestricted income in the year of sale per para 23.A35 of FRS102.

1.3.i Lease classification

The Trust's leasehold agreement with the Royal Armouries is a 999 year lease of land which has 980 years unexpired of its term. At inception this was judged to be an operating lease and has been accounted for as such. This judgement was reached as the lease term is not for the major part of the land's economic life, the asset does not transfer to the lessee at the end of the lease, nor does the lessee have the option to purchase the land, and the land is not of a specialised nature. £672m (2020/21: £673m) is included as an operating lease commitment for this lease in Note 25 – Operating lease agreements where the Group is a lessor.

1.3.j Unquoted investments

The diversified investments includes an element of unquoted private debt and private equity holdings that are valued within the full portfolio based on the latest available financial information of the underlying holdings. The availability of the financial information for these holdings is lagged by three months, with audited financial statements as at 31 December being made available for the underlying holdings. The reported valuation is adjusted for known cash movements and estimated market impacts in the quarter to the 31 March.

1.3.k Provision for doubtful debt

The Trust assess the recoverability of the trade debtors balance by reviewing the age of the balance and any specific circumstances relating to individual customers. Where the balance is over 90 days overdue an appropriate proportion of the gross receivable is provided for based on previous experience of actual recoverability of the balance. If there are reasons to believe any balance is at risk of recovery due to specific customer circumstances the assessed unrecoverable balance is provided for. The reported trade debtor is shown net of the provision for doubtful debt. Where amounts are received in future periods the provision is released. If amounts are subsequently found to be unrecoverable, the provision is used to write off unrecoverable balances.

1.3.l Other provisions

The Trust assess any other obligations that may result in a liability to be paid due to events preceding the 31 March. Where it is probable that a liability will be paid the Trust estimates the value of the liability based on either contractual terms, assessments from advisors or experts or based on past experience of amounts incurred for similar liabilities. Actual costs will be incurred in future periods and any over or under provision as a result of differences between the estimated costs provided and the actual costs incurred will be recognised in the operating costs in the period they arise.

1. Accounting policies (continued)

1.4 Basis of consolidation

The Group comprises the Canal & River Trust and its subsidiaries which are set out in note 17 to these financial statements. The principal subsidiaries are Canal & River Trading CIC, a community interest company, and the Canal & River Pension Investments LP (SLP).

Subsidiaries are entities controlled by the Trust. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The turnover and expenditure of the subsidiaries are included within the consolidated SoFA. The assets and liabilities are included on a line by line basis in the consolidated balance sheet in accordance with FRS102, section 9.13 'Consolidated and Separate Financial Statements.' The financial statements of all Group companies are prepared using consistent accounting policies.

The Group has a number of contractual arrangements with other parties that represent joint ventures. These joint ventures are established through an interest in a limited company, partnership or other entity. The Group recognises its interest in the entity's assets and liabilities using the equity method of accounting in accordance with FRS102 section 15 'Investments in Joint Ventures.' The names of joint ventures, the nature of the business and details of the shares held by the Group are disclosed in note 17 to these financial statements.

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

Waterways Infrastructure Trust (WIT) (Charity number 1146792-2) is a linked charity of Canal & River Trust and is included in the financial statements of the Trust and Group on a branch accounting basis, whereby funds are aggregated. The only assets held by WIT are heritage assets, as disclosed in note 14 to the accounts. The WIT does not have income, expenditure, liabilities or accumulated funds. As heritage assets are held at nil value, the funds of WIT are £nil in these financial statements and separate fund disclosures have therefore not been made.

1.5 Income recognition

1.5.a Donations and legacies

- i) Donation income is recognised when receivable. Where the use of the income has been restricted in accordance with the donor's wishes, appeals and gifts, income is credited to restricted funds until spent for the purpose for which it was given.
- ii) Entitlement to legacy income is considered to be on the earlier of the date of receipt of finalised estate accounts, the date of payment or where it is probable that the legacy will be received and the value is measurable with sufficient reliability. For pecuniary legacies this is the point when formal notification has been received from the estate and for residuary legacies when the Trust's interest can be measured, which is normally on grant of probate.
- iii) Income from the People's Postcode Lottery (PPL) is recognised as a donation when receivable.

1.5.b Charitable activities

- i) Waterway infrastructure income is income to maintain an area of the waterway network and is recognised on a straight-line basis over the term of the agreement.

- ii) Third party funded project income is contributions towards restoring and improving the waterways network and is accounted for as a contract for services. Income is unrestricted income to the extent that the service has been delivered. Any amounts received in advance are treated as deferred income creditors and amounts due but not paid are accrued income debtors. Revenue is recognised in proportion to the stage of completion of the work in accordance with relevant funding agreements. Funding received for restricted purposes is recognised as restricted income when conditions of Trust entitlement are met.
- iii) Museums and attractions income from entrance fees and sale of goods from museums and visitor centres are recognised at point of sale.
- iv) Defra funding is accounted for as a government grant and is recognised when the conditions for the receipt of the grant have been complied with and it is probable that the grant will be received.

1.5.c Trading activities

- i) Boat licences and mooring permits are invoiced in advance and income is recognised over the term of the licence or permit, with amounts relating to future periods shown as deferred income. Where the Trust has granted concessions to boating customers, the income has been reduced in the period the concession relates to.
- ii) Utilities and water development income is received in return for access to the Trust's land, e.g. for underground pipes. Where agreements are for fixed time periods, revenue is recognised on a straight-line basis over the term of the agreement. Sales of water supplied from the Trust's waterway network under a water sales agreement allow access to a continuous supply of water over the period contracted. These are invoiced in advance and revenue is deferred.

1.5.d Investments

- i) Investment property income is income received from operating leases and is recognised on a straight-line basis over the term of the lease. Where the Trust has granted rent, the income has been reduced in the period the concession relates to.

Lease incentives granted are recognised as a reduction of rental income. The cost of the incentive is allocated over the lease term unless another systematic basis is representative of the time pattern of the benefit from the use of the leased asset. The lease term is the period for which the lessee has contracted to rent the property. This only includes optional extensions where it is reasonably certain that the lessee will exercise such an option.

Where lease incentives are provided, the fair value of the incentive is accounted for as a debtor and recognised in line with this accounting policy.

- ii) Income from diversified investments includes dividend and interest payments distributed from investment funds and is recognised in the period in which it is earned.
- iii) The SoFA reflects the Trust's share of the joint ventures' results after interest.

1.6 Expenditure

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

1. Accounting policies (continued)

1.7 Support costs

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

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

1.8 Tangible fixed assets

Expenditure on the purchase of land and the cost of construction and major improvement of buildings is capitalised. Expenditure on the purchase, addition to and improvement of boats, plant and equipment in excess of £5,000 is also capitalised.

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

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

1.9 Leased land and buildings, plant and equipment

1.9.a Group as a lessor

Where any part of land and buildings owned by the Trust and used for operational purposes is let out under an operating lease to a third party the part let out is reclassified as an investment property asset and is then held at fair value. The remaining part of the land and/or building occupied by the Trust is treated in the same way as other operational properties which are held at cost and depreciated over their estimated useful lives. Rental income, adjusting for the effect of lease incentives, is recognised on a straight-line basis over the lease term, including any rent-free periods.

1.9.b Group as a lessee

Costs in respect of operating leases are charged on a straight-line basis over the lease term, including any rent-free periods.

1.9.c Grant of long lease over investment property

In transferring property rights for consideration there may be instances where the Trust wishes to retain a level of control over the use of property where this issues onto or borders the waterway. This is achieved through the grant of a finance lease, and profit or loss is recognised at inception of the lease. The freehold reversion, whilst initially an insubstantial value, remains held for future capital growth and is fair valued each year.

In order for a long lease to be treated as a disposal it would be usual for the lease term to be for the major part of the economic life of the property (typically more than 50 years) and at the inception of the lease the present value of minimum lease payments would amount to substantially all of the fair value of the leased property.

1.10 Heritage assets

Heritage assets are assets of the Waterways Infrastructure Trust (WIT) and are aggregated into the financial statements on a branch basis as set out at 1.4. The charity does not consider that reliable cost or valuation information can be obtained for these assets. The waterways infrastructure is generally around 200 years old and the costs of maintaining the waterways infrastructure in a safe and accessible state significantly exceed any income generated from them. The WIT does not consider that any meaningful value can be placed on the waterways infrastructure, nor the museum artefacts and archives and therefore does not recognise those assets on its balance sheet. The WIT also considers, in line with section 18.14 of the Charities SORP (FRS102), that obtaining a meaningful valuation of these assets would not be achievable at a cost commensurate with the benefit to the users of the financial statements. Expenditure to maintain, repair and preserve these assets is charged to the SoFA of Canal & River Trust as incurred.

Further information on the management and preservation of heritage assets is given in note 14 to the financial statements.

The Trust has two classes of heritage assets:

1.10.a Waterways infrastructure

Canal & River Trust maintains inland waterways that include the assets listed in note 14 to these financial statements. These waterway assets are maintained regularly as an integrated network to ensure that the waterways can be used for continuous navigation and access. The assets are referred to as the Waterways Infrastructure and are held under a perpetual trust from Defra, known as The Waterways Infrastructure Trust, which specifies that the waterways are to be held in trust and retained in perpetuity for the following purposes:

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

Also included within this category are a number of assets which the Trust doesn't own, but for which agreements are in place which transfer responsibility for maintenance and inspection to the Trust. The Trust acts as Trustee for these assets.

1. Accounting policies (continued)

1.10.b Waterway museum artefact collections and archives

Canal & River Trust maintains many thousands of heritage artefacts in its collection and many more archive records of the construction and operation of the historic waterways. These items are held for display to the public or in secure storage facilities.

Canal & River Trust incurs significant expenditure in relation to the management and preservation of the heritage assets owned by the WIT. This expenditure is primarily day to day repairs and maintenance but elements of enhancement occur when assets are damaged or modern materials, design, or technology are applied. As this expenditure is incurred by Canal and River Trust to directly deliver its own charitable objects, this expenditure is taken to the SoFA. This spend does not represent a donation or grant to WIT and is not therefore considered for capitalisation in WIT. This reflects the branch accounting approach applied in these accounts to WIT as a linked charity as noted at 1.4.

1.11 Investment properties

Investment properties are measured initially at cost and subsequently at fair value at the reporting date. Valuation movements arising from the annual revaluation exercise are included within "net gains on investment" in the SoFA. The Trust accounts for disposals of investment properties upon completion of sale or when the sale is unconditional.

1.12 Diversified investments

Quoted investments are stated at open market value and unquoted investments are stated at most recent underlying net asset values from fund managers, adjusted for subsequent capital calls or distributions. Both are deemed to represent the fair value of the investments. Income from the investments is recognised as 'investment income' in the General Fund. Realised and unrealised investment gains and losses are recognised as 'net gains on investment' in the Protected Asset Fund.

1.13 Investment in subsidiaries

The investment in Canal & River Pension Investments LP (SLP) is shown at fair value. All other investments in subsidiaries are stated at cost less impairment.

1.14 Impairment

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

1.15 Taxation

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

The trading subsidiary company Canal and River Trading CIC has adopted a policy of paying all taxable profits to the charity as qualifying charitable donations. These payments are recognised as distributions through equity rather than as an expense through the statement of comprehensive income in these subsidiaries.

1.16 Pension schemes

The Trust operates defined benefit and defined contribution pension schemes.

1.16.a Defined benefit scheme

The defined benefit scheme is a multi-employer scheme with the Trust being the principal employer.

The pension liabilities and assets are recorded in line with FRS102 section 28 'Employee Benefits,' with a valuation undertaken by an independent actuary. FRS102 measures the value of pension assets and liabilities at the balance sheet date, determines the benefits accrued in the year and the interest on assets and liabilities. The value of benefits accrued is used to determine the pension charge in the SoFA and the net interest cost on the Fund's assets and liabilities are allocated across the appropriate incoming/outgoing resource categories. The net interest cost reflects application of the discount rate on the scheme's assets and liabilities over the course of the year.

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

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

The Scheme's interest in the SLP is included in the valuation of the Scheme in the Trust's company balance sheet. The assumptions required for accounting purposes under FRS102 differ from the assumptions used for the Scheme's Technical Provisions funding assumptions and as a result, under FRS102, the Scheme valuation may result in a surplus position. A pension fund asset will be recognised in accordance with IFRIC 14, as under the Scheme trust deed and rules, the Trust has an unconditional right to its share of any surplus following the winding up of the Scheme.

1.16.b Defined contribution scheme

Pension contributions are charged to the SoFA as incurred.

1.17 Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation because of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. The measurement of these amounts must be known, or reliably estimable, for a provision to be recognised.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are not recognised for future operating losses.

1. Accounting policies (continued)

1.18 Financial instruments

The Group has opted to apply IAS39 for accounting policy choices in relation to financial instruments.

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for any amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset. The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled, or expire. The specific application of these principles in relation to the Trust's financial instruments means that:

- 1.18.a** Diversified investments have been designated as at fair value through profit and loss.
- 1.18.b** Trade and other receivables are recognised and carried at the lower of their original invoiced value or recoverable amount. A provision is made when there is evidence that the Group will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.
- 1.18.c** Current asset investments represent investments with maturity dates of over three months and under one year and are held at fair value through profit and loss.
- 1.18.d** Cash and cash equivalents comprises cash balances and short-term deposits with banks with initial maturity less than three months and are held at face value.
- 1.18.e** Trade and other payables are recorded at cost.
- 1.18.f** The Trust's investment in the SLP is measured at fair value within the Trust's company only financial statements. The value is determined using a discounted cash flow model, based on the profit sharing conditions of the partnership agreement. This agreement states that the Trust receives the value of the properties held within the SLP less the net present value of the obligation to pay £5m per annum to the Waterways Pension Fund (WPF) until 2031 as well as a lump sum towards any deficit at 31 March 2031 up to a maximum of £125m. The discount rate applied to the WPF interest is the mid-point between gilts and AA corporate bond.
- 1.18.g** Loan notes are assessed on issue as to whether they should be classified as being held at amortised cost or fair value through profit and loss based on the terms of the bond and in accordance with IAS 39 Financial Instruments. Those loan notes where the embedded derivative relating to the prepayment of the bond is closely related to the host contract are carried at amortised cost. The host contract on those loan notes where the embedded derivative relating to the prepayment of the bond is not closely related to the host contract are valued at amortised cost. The embedded derivative is separated out and valued at fair value through profit and loss.

1.19 Fund accounting

Reserve policies are set out on pages 84 to 86 of the Finance Review as well as here in the accounting policies.

The trustees have agreed how the following funds are managed, taking into account best practice and guidance from the Charity Commission.

1.19.a Protected Asset Fund

The Protected Asset Fund is a restricted reserve subject to the terms of the Defra Grant Funding Agreement (dated 28 June 2012) established when the Protected Assets, as defined in that Grant Agreement, were transferred to the Trust on 2 July 2012 by the UK Government. The fund consists of these Protected Assets, less the value of the liabilities for the Trust's borrowings and pension fund liabilities that are effectively secured on the Protected Assets, less any other capital liabilities and creditors. Income arising from these net assets is available to be spent on the charitable activities of the Trust.

The Protected Asset Fund includes the net value of any unrealised revaluation surpluses that have arisen on the protected assets since the transfer and the net value of funds held in reserve for waterway infrastructure asset dowries where such funds have been invested into assets contained within the Protected Asset Fund. As agreed with the fund's Protector, it also includes long-term loan notes and associated assets acquired using these funds.

The Protected Assets are not held on legal Trust rather they are the corporate property of Canal & River Trust, subject to contractual restrictions imposed by the Grant Agreement which permits capital to be used for funding revenue in certain circumstances.

The assets of the Waterways Infrastructure Trust are a permanent endowment held in perpetuity and are heritage assets shown with no value in the financial statements. The investment and operational assets transferred from the Government in 2012 are classed as an expendable endowment for the purposes of fund accounting.

1.19.b General Fund

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

1.19.c Designated funds

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

i) Pension Contingency Fund

The Pension Contingency Fund comprises funds that are designated from the General Fund to create a fund for the purpose of funding any deficit that exists on the Waterways Pension Fund in 2031 when the SLP comes to an end.

ii) Major Asset Failure Fund

The Trust has considerable exposure to major waterway asset failures, notably in relation to reservoirs and embankments. Therefore, the Major Asset Failure Fund was set up so that once fully established it can allow for such additional expenditure without adversely impacting on our annual financial plans.

1.19.d Restricted Income Fund

The Restricted Income Fund comprises funds that have been donated to the Trust with specific restrictions on how the funds may be applied imposed by donors or by the nature of an appeal or endowment. The purpose of each restricted fund is set out in the notes to the financial statements. Restricted donations of less than £100,000, unless part of a larger project, are reported in aggregate.

1.19.e Transfers between funds

Transfers between funds include gift aid payments from surplus profits and dividends from subsidiary companies to the Trust from the Protected Asset Fund to the General Fund as well as movements between the General and Designated Funds.

2. Comparative consolidated statement of financial activities

	Note	2020/21			Funds Total £m
		Unrestricted funds £m	Restricted income funds £m	Protected Asset Funds £m	
Income from:					
Donations and legacies	3	3.8	3.1	4.6	11.5
Charitable activities	4	78.4	0.2	-	78.6
Other trading activities	5	77.1	-	0.2	77.3
Investments	6	42.2	-	5.8	48.0
Total Income		201.5	3.3	10.6	215.4
Expenditure on:					
Raising funds	7	(35.2)	-	(2.8)	(38.0)
Charitable activities	8	(180.0)	(3.3)	-	(183.3)
Total expenditure		(215.2)	(3.3)	(2.8)	(221.3)
Net (expenditure)/income before gains on investments		(13.7)	-	7.8	(5.9)
Net gains on investments	11	8.0	-	31.3	39.3
Net (expenditure)/income		(5.7)	-	39.1	33.4
Transfers between funds		(1.8)	-	1.8	-
Other recognised gains					
Actuarial losses on defined benefit schemes	25	-	-	(27.8)	(27.8)
Net movement in funds		(7.5)	-	13.1	5.6
Reconciliation of funds:					
Total funds brought forward		26.8	0.6	848.7	876.1
Total funds carried forward		19.3	0.6	861.8	881.7

3. Income from donations and legacies

	2021/22			
	Unrestricted funds £m	Restricted funds £m	Protected Asset Fund £m	Funds Total £m
Donations and legacies	-	6.5	-	6.5
Coronavirus Job Retention Scheme Grant	-	-	-	-
Lottery income	-	-	-	-
Total income from donations and legacies	-	6.5	-	6.5

	2020/21			
	Unrestricted funds £m	Restricted funds £m	Protected Asset Fund £m	Funds Total £m
Donations and legacies	-	3.1	-	3.1
Coronavirus Job Retention Scheme Grant	3.8	-	-	3.8
Lottery income	-	-	4.6	4.6
Total income from donations and legacies	3.8	3.1	4.6	11.5

Lottery Income

The net lottery income proceeds received are analysed as follows:

	2021/22	2020/21
	£m	£m
Ticket value	-	14.3
Prize fund	-	(5.7)
Management fee	-	(4.0)
Net lottery income in the year	-	4.6

From 2017 to December 2020, the Trust had a commercial partnership with the People's Postcode Lottery (PPL) and income generated was through a lottery licence held by Canal and River Trading CIC. From 1 January 2021 PPL reverted to a grant-making model, from which the Trust received the first donation in June 2021.

4. Income from charitable activities

	2021/22			
	Unrestricted funds £m	Restricted funds £m	Protected Asset Fund £m	Funds Total £m
Waterway infrastructure income	9.2	0.7	-	9.9
Third party funded projects	10.4	-	-	10.4
Museums and attractions	0.7	-	0.1	0.8
Third party income from charitable activities	20.3	0.7	0.1	21.1
Defra grant funding	52.6	-	-	52.6
Total income from charitable activities	72.9	0.7	0.1	73.7

	2020/21			
	Unrestricted funds £m	Restricted funds £m	Protected Asset Fund £m	Funds Total £m
Waterway infrastructure income	9.5	-	-	9.5
Third party funded projects	16.1	0.2	-	16.3
Museums and attractions	0.2	-	-	0.2
Third party income from charitable activities	25.8	0.2	-	26.0
Defra grant funding	52.6	-	-	52.6
Total income from charitable activities	78.4	0.2	-	78.6

5. Income from trading activities

	2021/22			
	Unrestricted funds £m	Restricted funds £m	Protected Asset Fund £m	Funds Total £m
Boating and moorings	44.5	-	-	44.5
Utilities and water development	37.7	-	-	37.7
Other trading income	0.8	-	-	0.8
Total income from trading activities	83.0	-	-	83.0

	2020/21			
	Unrestricted funds £m	Restricted funds £m	Protected Asset Fund £m	Funds Total £m
Boating and moorings	40.2	-	0.2	40.4
Utilities and water development	36.9	-	-	36.9
Other trading income	-	-	-	-
Total income from trading activities	77.1	-	0.2	77.3

6. Income from investments

	2021/22			
	Unrestricted funds £m	Restricted funds £m	Protected Asset Fund £m	Funds Total £m
Investment Property income	33.0	-	6.4	39.4
Dividends from diversified investment fund	4.3	-	-	4.3
Other investment income	4.2	-	-	4.2
Share of net income from joint ventures	-	-	2.8	2.8
Interest receivable	0.3	-	0.4	0.7
Total income from investments	41.8	-	9.6	51.4

	2020/21			
	Unrestricted funds £m	Restricted funds £m	Protected Asset Fund £m	Funds Total £m
Investment Property income	35.6	-	6.4	42.0
Dividends from diversified investment fund	3.5	-	-	3.5
Other investment income	3.0	-	-	3.0
Share of net expenditure from joint ventures	-	-	(0.7)	(0.7)
Interest receivable	0.1	-	0.1	0.2
Total income from investments	42.2	-	5.8	48.0

7. Expenditure on raising funds

	2021/22			Funds Total £m
	Unrestricted funds £m	Restricted funds £m	Protected Asset Fund £m	
Voluntary income	2.9	-	-	2.9
Boating and moorings	12.2	-	-	12.2
Utilities and water development	4.3	-	-	4.3
Investment and property income	9.3	-	4.1	13.4
Interest payable	4.3	-	-	4.3
Recoverable service charges	3.6	-	-	3.6
Net interest cost on pension liabilities	-	-	0.9	0.9
Total expenditure on raising funds	36.6	-	5.0	41.6

	2021/22			Funds Total £m
	Unrestricted funds £m	Restricted funds £m	Protected Asset Fund £m	
Voluntary income	2.0	-	-	2.0
Boating and moorings	11.0	-	-	11.0
Utilities and water development	4.7	-	-	4.7
Investment and property income	9.0	-	2.3	11.3
Interest payable	4.4	-	-	4.4
Recoverable service charges	4.1	-	-	4.1
Net interest cost on pension liabilities	-	-	0.5	0.5
Total expenditure on raising funds	35.2	-	2.8	38.0

8. Expenditure on charitable activities

	2021/22			Funds Total £m
	Unrestricted funds £m	Restricted funds £m	Protected Asset Fund £m	
Waterway operation, maintenance and repair	156.2	6.5	-	162.7
Third party funded regeneration projects	13.8	-	-	13.8
Museums and attractions	3.6	-	0.1	3.7
Total expenditure on charitable activities	173.6	6.5	0.1	180.2

	2020/21			Funds Total £m
	Unrestricted funds £m	Restricted funds £m	Protected Asset Fund £m	
Waterway operation, maintenance and repair	157.3	3.0	-	160.3
Third party funded regeneration projects	19.7	0.3	-	20.0
Museums and attractions	3.0	-	-	3.0
Total expenditure on charitable activities	180.0	3.3	-	183.3

9. Support costs

	2021/22				
	Governance £m	Finance & IT £m	Human Resources £m	Other £m	Total £m
Donations and legacies	-	0.2	0.1	0.1	0.4
Charitable activities	0.4	10.0	2.6	2.2	15.2
Trading activities	0.2	1.9	0.2	0.6	2.9
Investments	0.1	1.0	0.1	0.3	1.5
Total support costs	0.7	13.1	3.0	3.2	20.0

	2020/21				
	Governance £m	Finance & IT £m	Human Resources £m	Other £m	Total £m
Donations and legacies	-	0.2	-	-	0.2
Charitable activities	0.5	8.3	2.3	3.1	14.2
Trading activities	0.2	1.6	0.2	0.6	2.6
Investments	0.1	1.0	0.1	0.3	1.5
Total support costs	0.8	11.1	2.6	4.0	18.5

Included in Finance & IT costs are Auditors' fees and expenses which include the following:

	2021/22 £000	2020/21 £000
Fees payable to the auditors of Canal & River Trust:		
in respect of the charity audit	174	163
in respect of the subsidiary audits	12	17
in respect of other audit services	-	-
Other non-audit services:		
in respect of taxation compliance	4	24
in respect of taxation advisory	30	6
in respect of other advisory	-	4
Fees payable to other auditors of subsidiary companies:		
in respect of audit	11	11
in respect of taxation compliance	6	6
in respect of taxation advisory	2	2
Total fees payable to auditors	239	233

10. Employee costs

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

Trustee expenses include the reimbursement by the Trust of costs incurred by its trustees in carrying out their duties and similar payments made by the Trust directly to third parties on their behalf. During the year there was £8,375 incurred by 10 trustees for travel, subsistence and accommodation (2020/21: No amounts reimbursed or paid to third parties).

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

	Group	
	2021/22 Number	2020/21 Number
Investment management	59	63
Engineering, projects and repairs	479	452
Operations, customer service and engagement	951	909
Museums and attractions	39	42
Support functions	137	124
Total number of persons	1,665	1,590

The average number of employees is calculated using the full-time equivalent method. The actual average number of employees is 1,729 (2021: 1,646).

Total employment costs were:

	Group	
	2021/22 £m	2020/21 £m
Wages and salaries	56.2	52.3
Car cash allowances	2.9	2.8
Social security costs	5.6	5.1
Defined benefit pension costs (see note 26)	0.8	0.9
Defined contribution pension costs	4.6	4.4
Redundancy and termination costs	0.2	0.3
Total employment costs	70.3	65.8

10. Employee costs (continued)

The number of employees whose gross remuneration (including redundancy payments made) and taxable benefits¹, but not employer pension costs paid during the year, exceeded £60,000 and fell within the following ranges were:

	2021/22		2020/21	
	Including redundancy payments Number	Excluding redundancy payments Number	Including redundancy payments Number	Excluding redundancy payments Number
£60,000-£70,000	33	33	38	36
£70,001-£80,000	20	20	11	11
£80,001-£90,000	14	14	14	12
£90,001-£100,000	4	4	6	5
£100,001-£110,000	5	5	3	3
£110,001-£120,000	2	2	1	1
£120,001-£130,000	-	-	1	-
£130,001-£140,000	1	1	4	3
£140,001-£150,000	1	1	1	1
£150,001-£160,000	-	-	-	-
£160,001-£170,000	1	1	1	1
£170,001-£180,000	-	-	-	-
£180,001-£190,000	-	-	-	-
£190,001-£200,000	-	-	-	-
£200,001-£210,000	-	-	-	-
£210,001-£220,000	-	-	-	-
£220,001-£230,000	1	1	1	1
£230,001-£240,000	1	1	1	1
	83	83	82	75

The employee bandings do not include amounts payable to employees in respect of termination payments provided for in the financial statements but not paid at the year-end; the bandings above therefore exclude termination payments for one employee (2021: no termination payments). Contributions from the Trust to the defined contribution pension scheme in respect of 80 of the 83 (2020/21: 77 of 82) higher paid employees amounted to £530,000 (2020/21: £492,000).

Key management personnel

The key management personnel are the Trustees and Executive team (listed on pages 166 to 172). The remuneration costs relating to key management personnel are:

	2021/22 £m	2020/21 £m
Salary (including pensions)	1.2	1.4
Social security costs	0.1	0.2
Total	1.3	1.6

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

The remuneration during the year for Richard Parry, Chief Executive, comprised a salary of £195,000 (2020/21: £190,986), pension allowance of £16,636 (2020/21: £16,463), car allowance of £9,768 (2020/21: £9,768), payment in lieu of previous years' banked holidays not taken £nil (2020/21: £7,317) and benefits in kind of £1,936 (2020/21: £1,812), totalling £223,340 (2020/21: £226,346). In 2020/21, Richard elected to forego £9,549 of his salary to donate to the Trust's Waterways Charities Appeal. The remuneration disclosed for 2020/21 is before deduction of this amount.

There was one employee whose remuneration during the year was higher than the chief executive. Stuart Mills, Chief Investment Officer, received a salary of £176,400 (2020/21: £174,632), pension allowance of £15,129 (2020/21: £15,053), car allowance of £9,768 (2020/21: £9,768), performance related pay of £29,687 (2020/21: £34,926) and benefits in kind of £2,983 (2020/21: £2,557), totalling £233,967 (2020/21: £236,936).

11. Net gains on investments

	2021/22			
	Unrestricted funds £m	Restricted funds £m	Protected Asset Fund £m	Funds Total £m
Realised gains on disposal of investment assets	-	-	5.7	5.7
Realised gains on disposal of tangible fixed assets	0.3	-	-	0.3
Unrealised gains on revaluation of investment property	-	-	40.2	40.2
Unrealised gains on revaluation of diversified investments	5.2	-	32.5	37.7
Net gains on investments	5.5	-	78.4	83.9

	2020/21			
	Unrestricted funds £m	Restricted funds £m	Protected Asset Fund £m	Funds Total £m
Realised gains on disposal of investment assets	-	-	0.8	0.8
Realised gains on disposal of tangible fixed assets	0.9	-	-	0.9
Unrealised losses on revaluation of investment property	-	-	(11.1)	(11.1)
Unrealised gains on revaluation of diversified investments	7.1	-	41.6	48.7
Net gains on investments	8.0	-	31.3	39.3

12. Taxation

The Canal & River Trust is a registered charity and as such is entitled to certain tax exemptions. The Trust is entitled to exemptions on income and profits from investments, and surpluses on any trading activities carried out in furtherance of the Charity's primary objectives (provided these profits and surpluses are applied solely for charitable purposes). It is expected that the Trust's subsidiaries will gift all their profits to the Trust, normally resulting in no tax liability.

13. Tangible fixed assets

Group and Canal & River Trust	Operational land and buildings		Boats, vehicles, plant and equipment	Total £m
	Freehold £m	Leasehold £m	£m	
Cost				
At 1 April 2021	25.7	0.1	54.9	80.7
Additions	0.9	0.1	5.3	6.3
Transfers to investment property	(0.3)	-	(0.1)	(0.4)
Disposals	(0.1)	(0.1)	(1.5)	(1.7)
At 31 March 2022	26.2	0.1	58.6	84.9
Depreciation				
At 1 April 2021	4.5	0.1	24.7	29.3
Charge for the year	0.6	-	4.8	5.4
Transfers to investment property	(0.1)	-	-	(0.1)
Disposals	-	(0.1)	(1.4)	(1.5)
At 31 March 2022	5.0	-	28.1	33.1
Net book value				
At 1 April 2021	21.2	-	30.2	51.4
At 31 March 2022	21.2	0.1	30.5	51.8

14. Heritage assets

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

Waterways heritage is for everyone and the heritage within the Trust's care is free to access and use. It provides an everyday, local connection to the past; a 'living museum without walls'.

Britain's network of inland waterways is one of the largest and most important heritage resources in the country. It is the prime responsibility of the Trust, as custodian, to ensure that the value of this precious, irreplaceable inheritance is understood, managed and protected- thereby securing the longevity of our historic waterways for the benefit and wellbeing of canal and towpath users alike and indeed, the benefit of future generations.

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

The Canal & River Trust is the guardian of 2,000 miles of historic waterways across England and Wales. Many of our waterways were built at the height of the industrial revolution and are home to 2,703 listed structures and 46 scheduled ancient monuments.

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

Asset description	31 March 2022 Length/number	31 March 2021 Length/number
Canals	1,568 miles	1,568 miles
Rivers	345 miles	345 miles
Feeders	120 miles	120 miles
Towpaths	1,710 miles	1,710 miles
Aqueducts (1)	280	281
Bridges – Accommodation (2)	1,627	1,641
Bridges – Public Road (3)	870	871
Bridges – Turnover (4)	452	458
Culverts (5)	1,946	1,954
Major cuttings (6)	831	826
Major embankments (7)	784	779
Docks (8)	4	13
Dry docks (9)	30	29
Permitted waste sites (10)	21	22
Locks	1,582	1,582
Pumping stations (11)	69	72
Reservoirs	71	71
Sluices (12)	531	526
Stop/Safety/Flood Gates (13)	68	67
Tunnels	55	55
Canal weirs (14)	663	662
River weirs (15)	130	132
Weir-ed locks	83	83
Boat lifts (Navigation)	1	1

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

Historic battlefields	6	6
Listed buildings (16)	2,703	2,710
Scheduled ancient monuments	46	46
Sites of Special Scientific Interest (SSSIs)	63	63

14. Heritage assets (continued)

The number of principal assets in each category are subject to change from time to time due to additions, disposals and reclassifications. During the year the following changes occurred:

- 1) Aqueducts – one asset identified as not being the responsibility of the Trust.
- 2) Accommodation Bridges – a decrease of 14 assets with 18 being reclassified as footbridges, one no longer owned by the Trust, and five assets either newly identified or confirmed as in the Trust's ownership.
- 3) Public Road Bridges – a decrease in one asset as two assets identified as not in the Trust's ownership and one asset confirmed in the Trust's ownership.
- 4) Towpath/Turnover Bridges – a decrease of six with eight identified as footbridges or accommodation bridges, two identified as not owned by the Trust, and four either newly identified or changed type from accommodation to Turnover.
- 5) Culverts – a decrease of eight culverts removed with 13 being identified as not under the Trust's ownership and five culverts either confirmed as Trust owned or newly identified.
- 6) Cuttings – an increase of five assets with six assets newly identified and one asset confirmed as not Trust owned.
- 7) Embankments – five new assets identified.
- 8) Docks – nine docks removed, as the Trust is only responsible for part of the structures.
- 9) Dry Docks – an increase of one asset with two newly identified as being in the Trust's ownership and one asset removed.
- 10) Permitted Waste Sites – a decrease of one asset as it is no longer a permitted site.
- 11) Pumping Stations – three pumping stations removed from the asset inventory.
- 12) Sluices – an increase of five assets, with six identified as being in the Trust's ownership and one asset removed.
- 13) Stop/Safety/Flood Gates – one new asset identified as a flood gate.
- 14) Waste Weirs, Canal – an increase of one asset with three being identified as the responsibility of the Trust and two that are not the responsibility of the Trust.
- 15) River Weirs – a decrease of two assets due to three being identified as not the responsibility of the Trust and one new asset.
- 16) Listed buildings – a decrease of seven. Four newly listed culverts and one retaining wall being newly identified as listed, as well as twelve redefined as owned by the Trust. Six listed properties have been sold and one was incorrectly identified as listed last year. A data review has also identified 17 properties which had been sold in prior years.

Museum artefact collections and archives

The Trust cares for many thousands of artefacts which are designated by the Arts Council as of national significance. The collection contains over 80 historic boats – many of which are listed on the Historic Ships Register – tools, machinery, memorabilia, decorative arts, paintings and social history items. These items are held for public display at the National Waterways Museums (Ellesmere Port & Gloucester) and other Canal & River Trust attractions and locations.

The Waterways Archive consists of historic records, images, maps, plans, oral history, film and digital media and has historical, scientific and technological significance.

Both collections are maintained by the Trust to preserve the culture, knowledge and enjoyment of our inland waterways for the public benefit today and for generations to come.

15. Investment property

	Group			Canal & River Trust		
	Freehold £m	Leasehold £m	Total £m	Freehold £m	Leasehold £m	Total £m
Carrying value (fair value)						
At 1 April 2021	670.5	86.3	756.8	506.9	85.1	592.0
Additions	2.6	0.6	3.2	2.4	0.6	3.0
Transfers from operational property	0.3	-	0.3	0.3	-	0.3
Disposals	(15.7)	(0.1)	(15.8)	(15.0)	(0.1)	(15.1)
Revaluation	36.8	3.4	40.2	36.5	3.0	39.5
At 31 March 2022	694.5	90.2	784.7	531.1	88.6	619.7

The investment properties have a historical cost of £605.2m (2020/21: £617.9m) and accumulated depreciation of £137.0m (2020/21: £134.5m).

Investment properties are valued annually and included at valuation on an open market basis. Avison Young, a regulated firm of Chartered Surveyors, carried out a valuation of the top 100 properties by value as well as a quarter of all other properties (together approximately 94% by value in total) as at 31 March 2022. The remaining properties were valued by qualified surveyors employed by the Trust.

Valuations are carried out in accordance with the guidance set out in the Royal Institute of Chartered Surveyors (RICS) Global Valuation Standards effective from 31 January 2022 (the Red book) and the RICS UK national supplement effective from 14 January 2019. The properties have been valued on the basis of Fair Value as adopted by the International Accounting Standards Board (IASB) in IFRS 13 and accepted as a definition by the RICS Global Valuation Standards effective from 31 January 2022: "The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date." The properties have been valued individually and not as a portfolio.

16. Diversified investment funds

a. Movement on diversified income funds

	Group and Canal & River Trust					
	Non property income portfolio		Unrestricted Income Fund		Total	
	2021/22 £m	2020/21 £m	2021/22 £m	2020/21 £m	2021/22 £m	2020/21 £m
At 1 April	223.4	183.2	35.8	26.7	259.2	209.9
Additions	35.5	-	-	2.2	35.5	2.2
Withdrawals	(4.1)	(0.5)	(15.2)	-	(19.3)	(0.5)
Dividend income	4.0	0.4	0.3	-	4.3	0.4
Investment management costs	(1.4)	(1.3)	(0.2)	(0.2)	(1.6)	(1.5)
Revaluation	32.5	41.6	5.2	7.1	37.7	48.7
At 31 March	289.9	223.4	25.9	35.8	315.8	259.2

During the year, the Investment Committee oversaw the eighth year of implementation of the Investment Strategy for the Trust involving a diversification of the Trust's investment portfolio held in the Protected Asset Fund away from pure property investment to provide some measure of risk protection. Pursuant to this strategy, the selected external investment manager, Partners Capital, have invested £205.2m on behalf of the Trust in non-property investments towards the overall objective of around 20-40% diversification away from property. The Trust maintained the minimum 20% position with £35.5m invested in the year 2021/22 (2020/21: £nil).

16. Diversified investment funds (continued)

b. Disclosure of asset classes within diversified income funds

	Group and Canal & River Trust			
	Non property income portfolio		Unrestricted Income Fund	
	31 March 2022 £m	31 March 2021 £m	31 March 2022 £m	31 March 2021 £m
Multi asset funds	103.2	80.2	12.1	22.1
Bonds	2.6	52.7	-	-
Private Debt	65.0	-	-	5.3
Credit	3.0	-	0.4	0.4
Commodities	-	2.0	-	-
Global equities	30.6	28.0	0.4	0.7
Private equity funds	82.7	56.3	12.6	7.2
Cash	2.8	4.2	0.4	0.1
At 31 March	289.9	223.4	25.9	35.8

c. Current asset investments

	Group		Canal & River Trust	
	31 March 2022 £m	31 March 2021 £m	31 March 2022 £m	31 March 2021 £m
Funds held on short-term deposit	2.8	3.0	-	-

Current asset investments represent funds held by the Trust which are not for the purposes of long-term investment return, but instead complement cash holdings used for ordinary operating and investing activities.

17. Investments

Subsidiaries

	Canal & River Trust	
	2021/22 £m	2020/21 £m
Investments in subsidiaries:		
At 1 April	94.6	94.3
Fair value adjustment for investment in the SLP	0.1	0.3
Other adjustments	(0.6)	-
At 31 March	94.1	94.6

All subsidiaries are held at amortised cost apart from Canal & River Pension Investments Limited Partnership which is held at a fair value of £34.5m (2020/21: £34.4m).

2021/22

The contribution of subsidiary companies to the Trust's funds in the year to 31 March 2022 was as follows:

	Company number	Income £m	Expenditure £m	Net income before other recognised gains and losses* £m	Net assets at 31 March 2022 £m
Canal & River Pension Investments LP (SLP)	SL010965**	6.1	-	6.1	162.9
Canal & River Pension Partner Limited	SC426937	-	-	-	52.1
Canal & River Reinsurance Designated Activity Company	384229	-	(0.1)	(0.1)	2.5
Other minor subsidiaries		-	-	-	(1.9)
		6.4	(0.7)	5.7	257.4

2020/21

The contribution of subsidiary companies to the Trust's funds in the year to 31 March 2021 was as follows:

	Company number	Income £m	Expenditure £m	Net income before other recognised gains and losses* £m	Net assets at 31 March 2021 £m
Canal & River Pension Investments LP (SLP)	SL010965**	6.1	-	6.1	162.9
Canal & River Pension Partner Limited	SC426937	-	-	-	42.4
Canal & River Reinsurance Designated Activity Company	384229	0.3	(0.1)	0.2	2.7
Other minor subsidiaries		-	-	-	(1.9)
		11.3	(0.6)	10.7	244.5

* Amount shown is before gift aid donations to parent.

** Limited partnership registration number.

The above subsidiaries are wholly owned by the Trust and are registered and operate within the United Kingdom, with the exception of Canal & River Reinsurance Designated Activity Company which is registered in and operates in the Republic of Ireland.

17. Investments (continued)

Joint Ventures

	Group	
	2021/22 £m	2020/21 £m
Investments in joint ventures:		
At 1 April	25.0	26.4
Loans made	3.3	11.1
Loans repaid	(17.1)	(9.4)
Share of net income/(losses)	2.8	(0.7)
Disposal of Icknield Port Loop	-	(2.4)
At 31 March	14.0	25.0

On 21 January 2021, the joint venture investment in Icknield Port Loop LLP was sold for £2.4m at nil gain/loss.

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

	31 March 2022 £m	31 March 2021 £m
Fixed assets	2.7	1.8
Current assets	20.3	47.2
Share of gross assets	23.0	49.0
Current liabilities	(9.0)	(24.0)
Long term liabilities	-	-
Share of gross liabilities	(9.0)	(24.0)
Share of net assets	14.0	25.0

The Group's share of income from joint ventures was £42.0m (2021: £11.6m) and share of expenditure was £39.2m (2021: £12.3m). All income arises from investment in property developments.

All joint ventures are unlisted and are registered and operate in the United Kingdom. Apart from Roundhouse Birmingham (held in the Trust), all investments in joint ventures are held in Canal & River Trading CIC, a wholly owned subsidiary of the Trust and all have year ends of 31 December.

The profit and loss for the year ended 31 March 2022 is calculated based on financial statements prepared by the joint ventures adjusted using management accounts. The Trust's share of profit and loss for the year of each joint venture was as follows:

Joint ventures	Profit for the year £m	Equity interest held* %	Main activity
Waterside Places (General Partner) Limited	2.8	50	Property development
H2O Urban LLP	-	50	Property development
Paddington Basin Business Barges Ltd	-	49	Office management
Roundhouse Birmingham	-	50	Heritage attraction operation

* Whilst the Trust retains a 49% shareholding in Paddington Basin Business Ltd, the voting rights and profit share is 50:50.

18. Debtors

Amounts falling due within one year

	Group		Canal & River Trust	
	31 March 2022 £m	31 March 2021 £m	31 March 2022 £m	31 March 2021 £m
Trade debtors	46.4	47.2	46.4	47.2
Amounts owed from Group undertakings	-	-	0.3	2.5
Prepayments and accrued income	21.0	16.3	22.3	16.6
Other debtors	8.1	8.1	7.9	7.6
	75.5	71.6	76.9	73.9

Amounts falling due after more than one year

	Group		Canal & River Trust	
	31 March 2022 £m	31 March 2021 £m	31 March 2022 £m	31 March 2021 £m
Prepayments and accrued income	2.8	-	2.8	-
Other debtors	8.8	12.3	4.0	8.1
	11.6	12.3	6.8	8.1

Debtors falling due after more than one year includes £8.8m (2021: £9.5m) in respect of deferred consideration relating to property investment disposals.

19. Creditors

Amounts falling due within one year

	Group		Canal & River Trust	
	31 March 2022 £m	31 March 2021 £m	31 March 2022 £m	31 March 2021 £m (Restated*)
Trade creditors	18.0	9.1	17.7	9.1
Accruals	15.2	19.8	12.7	17.3
Deferred income (Note 20)	57.3	55.6	55.9	54.2
Other amounts owed to Group undertakings	-	-	24.2	11.5
Value added tax	0.6	2.3	0.6	2.3
Taxation and social security	-	1.4	-	1.4
Other creditors	6.4	7.6	6.4	7.4
	97.5	95.8	117.5	103.2

* In the prior year Canal & River Trust Other amounts owed to Group undertakings was understated by £11.5m and has been restated in the comparatives. For more detail see note 29.

Amounts falling due after more than one year

	Group		Canal & River Trust	
	31 March 2022 £m	31 March 2021 £m	31 March 2022 £m	31 March 2021 £m
Loan notes	150.0	150.0	150.0	150.0
Deferred income (Note 20)	4.3	1.7	4.3	1.7
Other amounts owed to Group undertakings	-	-	0.9	0.5
Other creditors	0.7	-	-	-
	155.0	151.7	155.2	152.2

£150.0m (2021: £150.0m) of creditors fall due after more than five years.

The Trust holds a £150.0m private placement of loan notes to aid its broader investment strategy. The notes are repayable in three £50.0m tranches in 2043, 2048 and 2053 with respective fixed interest rates of 2.85%, 2.83% and 3.01%.

The private placement loan notes are considered to be non-basic as they include an embedded derivative under the scope of IAS39. The embedded derivative is designated as a financial instrument at fair value through profit and loss (FVTPL) rather than being valued at historic cost less impairment.

20. Deferred income

	Group			
	At 1 April 2021 £m	Released £m	Deferred £m	At 31 March 2022 £m
Rental income in advance	17.6	(16.8)	22.9	23.7
Boat licences and moorings in advance	17.8	(16.9)	18.7	19.6
Defra grant received in advance	10.7	(10.7)	10.7	10.7
Other deferred income	11.2	(11.2)	7.6	7.6
Total current and long term	57.3	(55.6)	59.9	61.6

	Group			
	At 1 April 2020 £m	Released £m	Deferred £m	At 31 March 2021 £m
Rental income in advance	18.0	(17.0)	16.6	17.6
Boat licences and moorings in advance	17.7	(16.4)	16.5	17.8
Defra grant received in advance	10.7	(10.7)	10.7	10.7
Other deferred income	11.9	(11.9)	11.2	11.2
Total current and long term	58.3	(56.0)	55.0	57.3

	Canal & River Trust			
	At 1 April 2021 £m	Released £m	Deferred £m	At 31 March 2022 £m
Rental income in advance	16.2	(15.4)	21.5	22.3
Boat licences and moorings in advance	17.8	(16.9)	18.7	19.6
Defra grant received in advance	10.7	(10.7)	10.7	10.7
Other deferred income	11.2	(11.2)	7.6	7.6
Total current and long term	55.9	(54.2)	58.5	60.2

	Canal & River Trust			
	At 1 April 2020 £m	Released £m	Deferred £m	At 31 March 2021 £m
Rental income in advance	16.6	(15.6)	15.2	16.2
Boat licences and moorings in advance	17.7	(16.4)	16.5	17.8
Defra grant received in advance	10.7	(10.7)	10.7	10.7
Other deferred income	11.0	(11.0)	11.2	11.2
Total current and long term	56.0	(53.7)	53.6	55.9

21. Provisions for liabilities

Group					
	At 1 April 2021 £m	Paid £m	Charged £m	Released £m	At 31 March 2022 £m
Major infrastructure provision	36.3	(12.7)	6.4	(0.5)	29.5
Other provisions	5.6	(1.1)	2.4	(1.1)	5.8
	41.9	(13.8)	8.8	(1.6)	35.3

Group					
	At 1 April 2020 £m	Paid £m	Charged £m	Released £m	At 31 March 2021 £m
Major infrastructure provision	21.9	(3.6)	18.5	(0.5)	36.3
Other provisions	5.3	(0.9)	3.0	(1.8)	5.6
	27.2	(4.5)	21.5	(2.3)	41.9

Canal & River Trust					
	At 1 April 2021 £m	Paid £m	Charged £m	Released £m	At 31 March 2022 £m
Major infrastructure provision	36.3	(12.3)	5.5	(0.5)	29.0
Other provisions	5.4	(1.1)	2.4	(1.1)	5.6
	41.7	(13.4)	7.9	(1.6)	34.6

Canal & River Trust					
	At 1 April 2020 £m	Paid £m	Charged £m	Released £m	At 31 March 2021 £m
Major infrastructure provision	21.9	(3.6)	18.5	(0.5)	36.3
Other provisions	4.7	(0.9)	3.0	(1.4)	5.4
	26.6	(4.5)	21.5	(1.9)	41.7

Major infrastructure provision

The major infrastructure provision is the estimated cost of remedial or rectification works required to the Trust's infrastructure assets. The amount provided represents the estimated cost of future works that the Trust is legally or constructively obliged to perform as a result of conditions present at the balance sheet date.

The major infrastructure provision is made up of the following elements:

- 1) £15.2m repair cost to the Toddbrook Reservoir (2021: £15.2m)

During 2019/20 an incident at Toddbrook Reservoir required immediate emergency rectification, following which a full review was carried out to assess the requirements to complete full restoration works and the estimated costs. The Trust has a constructive obligation to carry out the repair work as it has publicised its intention to do so including sharing plans of the completed project. The repair work started in 2020/21, continued during 2021/22 and remains ongoing. The estimated future costs of works yet to be completed has been assessed and reflected in the closing provision.

Activity during the year utilised £3.4m of the brought forward provision, and a further £0.2m was released as unused against the activities performed. The cost of further work not previously provided for due to new requirements or updated plans now being available, amounted to £3.6m. The closing provision includes £7.0m of work planned to be delivered in the 2022/23 year with the remainder being delivered thereafter.

- 2) £12.8m costs for action reported under s10 Reservoirs Act 1975 (2021: £19.9m)

In its capacity as Undertaker (under the 1975 Reservoirs Act) for the reservoirs it manages, the Trust arranges independent reservoir inspections, as required by the Act, by All Reservoir Panel Engineers, who report to the Trust and the Environment agency (as the regulator for reservoirs in England) on the condition and safety of the reservoir. Following the publication of a report issued under section 10 of the Reservoir Act the Trust has a legal obligation to carry out the required works raised as Measures in the interest Of Safety (MIOS). Following receipt of the report the Trust establishes a project to address the requirements, including an estimate of the likely costs to satisfactory completion based on internally costed models or quoted delivery proposals from third parties. Where a reliable estimate is available a provision is recognised for the estimated costs for the work to be delivered in future periods.

During the year the Trust has recognised £0.3m of new provision related to requirements outlined in new reports published up to 31 March 2022 and £0.4m of new provision where reliable estimates for previously reported requirements have been made available. £7.7m of the previously provided cost has been released in line with work delivered and £0.1m of the previously provided cost has been released unused during the year.

- 3) £1.5m other infrastructure provisions (2021: £1.2m)

During the year the Trust has recognised a new provision of £1.0m of estimated costs to complete repair and restoration work to Reeds Bridge, Buckinghamshire and £0.5m estimated demolition costs on land disposed of at Ichnield Port Loop. The Trust commenced work during the year with £0.5m spend incurred and has a constructive obligation to conclude the works. The full cost to completion estimated at £1.5m is expected to be incurred in 2022/23.

At 31 March 2021 the infrastructure provision included £1.2m for the repair cost to the breach experienced on the Aire & Calder Canal. The repair works were delivered during 2021/22 and the previously provided amount has been released in line with work delivered. No provision for this now completed work remains at 31 March 2022.

Other provisions

These are provisions which are principally for property, motor and public liability claims against the Trust, including those accounted for within the Trust's captive reinsurance company.

22. Financial instruments

	Group		Canal & River Trust	
	31 March 2022 £m	31 March 2021 £m	31 March 2022 £m	31 March 2021 £m (Restated*)
Financial assets that are debt instruments measured at amortised cost:				
Investments in subsidiaries	-	-	59.6	60.2
Cash	29.8	36.4	26.6	22.3
Current asset investments	2.8	3.0	-	-
Trade debtors	46.4	47.2	46.4	47.2
Other amounts owed from Group undertakings	-	-	0.3	2.5
Other debtors	16.9	20.4	11.9	15.7
	95.9	107.0	144.8	147.9
Financial liabilities measured at amortised cost:				
Trade creditors	18.0	9.1	17.7	9.1
Accruals	15.2	19.8	12.7	17.3
Other amounts owed to Group undertakings	-	-	25.1	-
Other creditors	7.1	7.6	6.4	7.4
Loan notes	150.0	150.0	150.0	150.0
	190.3	186.5	211.9	183.8
Financial assets measured at fair value through profit and loss:				
Investments in subsidiaries	-	-	34.5	34.4
Investment property	784.7	756.8	619.7	592.0
Diversified investment funds	315.8	259.2	315.8	259.2
	1,100.5	1,016.0	970.0	885.6

* In the prior year Canal & River Trust Cash and Other amounts owed to Group undertakings were both understated by £11.5m and have been restated in the comparatives.

23. Movement in funds

	Group 2021/22				
	Unrestricted funds		Restricted funds		Total £m
	General fund £m	Designated Funds £m	Restricted income funds £m	Protected Asset Fund £m	
At 1 April 2021	0.8	18.5	0.6	861.8	
Income	197.7	-	7.2	9.7	214.6
Expenditure	(210.0)	(0.2)	(6.5)	(5.1)	(221.8)
Gains on investments	0.3	5.2	-	78.4	83.9
Gift aid receivable, dividends and other transfers from subsidiaries	3.4	-	-	(3.4)	-
Transfer to General Fund	15.6	(15.6)	-	-	-
SLP contribution to Pension Fund*	(5.0)	-	-	5.0	-
Actuarial gains on defined benefit pension schemes	-	-	-	83.9	83.9
At 31 March 2022	2.8	7.9	1.3	1,030.3	1,042.3

	Group 2020/21				
	Unrestricted funds		Restricted funds		Total £m
	General fund £m	Designated Funds £m	Restricted income funds £m	Protected Asset Fund £m	
At 1 April 2020	0.1	26.7	0.6	848.7	
Income	201.5	-	3.3	10.6	215.4
Expenditure	(215.0)	(0.2)	(3.3)	(2.8)	(221.3)
Gains on investments	0.9	7.1	-	31.3	39.3
Gift aid receivable, dividends and other transfers from subsidiaries	3.2	-	-	(3.2)	-
Transfer to General Fund	15.1	(15.1)	-	-	-
SLP contribution to Pension Fund*	(5.0)	-	-	5.0	-
Actuarial losses on defined benefit pension schemes	-	-	-	(27.8)	(27.8)
At 31 March 2021	0.8	18.5	0.6	861.8	881.7

* For further detail see Note 26.

23. Movement in funds (continued)

Canal & River Trust 2021/22					
	Unrestricted funds		Restricted funds		Total £m
	General fund £m	Designated Funds £m	Restricted income funds £m	Protected Asset Fund £m	
At 1 April 2021	5.5	18.5	0.6	830.8	855.4
Income	197.7	-	7.2	0.1	205.0
Expenditure	(204.9)	(0.2)	(6.5)	(2.3)	(213.9)
Gains on investments	0.3	5.2	-	77.2	82.7
Gift aid receivable, dividends and other transfers from subsidiaries	1.3	-	-	-	1.3
Transfer to General Fund	15.6	(15.6)	-	-	-
SLP contribution to Pension Fund*	(5.0)	-	-	5.0	-
Actuarial gains on defined benefit pension schemes	-	-	-	63.2	63.2
At 31 March 2022	10.5	7.9	1.3	974.0	993.7

Canal & River Trust 2020/21					
	Unrestricted funds		Restricted funds		Total £m
	General fund £m	Designated Funds £m	Restricted income funds £m	Protected Asset Fund £m	
At 1 April 2020	-	26.7	0.6	838.0	865.3
Income	201.5	-	3.3	-	204.8
Expenditure	(210.2)	(0.2)	(3.3)	(0.1)	(213.8)
Gains on investments	0.9	7.1	-	30.7	38.7
Gift aid receivable, dividends and other transfers from subsidiaries	3.2	-	-	2.6	5.8
Transfer to General Fund	15.1	(15.1)	-	-	-
SLP contribution to Pension Fund*	(5.0)	-	-	5.0	-
Actuarial losses on defined benefit pension schemes	-	-	-	(45.4)	(45.4)
At 31 March 2021	5.5	18.5	0.6	830.8	855.4

* For further detail see Note 26.

The designated fund includes the following designated reserves which have been set aside for specific purposes:

	2021/22		
	Major Asset Failure Fund £m	Pension Contingency Fund £m	Total Designated Funds £m
At 1 April 2021	-	18.5	18.5
Transfer between designated funds	18.5	(18.5)	-
Gains	5.2	-	5.2
Expenditure	(0.2)	-	(0.2)
Transfer to General Fund	(15.6)	-	(15.6)
At 31 March 2022	7.9	-	7.9

	2020/21		
	Major Asset Failure Fund £m	Pension Contingency Fund £m	Total Designated Funds £m
At 1 April 2020	-	26.7	26.7
New designations	-	7.1	7.1
Losses	-	(0.2)	(0.2)
Expenditure	-	(15.1)	(15.1)
At 31 March 2021	-	18.5	18.5

During the 2021/22 year the board approved the transfer of the £18.5m balance of the pension contingency fund to the major asset failure fund, given the immediate requirement for asset spend.

During the 2021/22 year the Trust incurred costs associated with the major asset failures amounting to £15.6m through the general fund. A funds transfer from the major asset failure fund to the general fund has been made to cover these costs.

23. Movement in funds (continued)

Restricted Income Funds

Fund name	Balance at 1 April 2021 £m	2021/22		Balance at 31 March 2022 £m
		Income £m	Expenditure £m	
Canal & River Trust funds:				
Friends Fund	-	3.0	(3.0)	-
Specific Project Funds				
PPL Lottery	-	3.1	(2.4)	0.7
Regional Fundraising	-	0.3	(0.2)	0.1
Brent Reservoir Project	0.2	-	-	0.2
London STEM Project	0.1	-	-	0.1
Super Slow Way 3	-	0.7	(0.7)	-
Other Specific Project Funds	0.3	0.1	(0.2)	0.2
Total Group	0.6	7.2	(6.5)	1.3

Fund name	Balance at 1 April 2020 £m	2020/21		Balance at 31 March 2021 £m
		Income £m	Expenditure £m	
Canal & River Trust funds:				
Friends Fund	-	3.0	(3.0)	-
Specific Project Funds				
Brent Reservoir Project	0.2	-	-	0.2
London STEM Project	0.1	-	-	0.1
Super Slow Way 2	-	0.2	(0.2)	-
Other Specific Project Funds	0.3	0.1	(0.1)	0.3
Total Group	0.6	3.3	(3.3)	0.6

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

Restricted funds with donations less than £100,000 are shown in one aggregate total as "Other Specific Project Funds". At 31 March 2022 there were 56 (2021: 61) separate funds within this total.

Friends Fund

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

24. Analysis of net assets by fund

Net assets are analysed between funds as follows:

As at 31 March 2022	Group			
	Unrestricted Funds £m	Restricted Funds £m	Protected Asset Fund £m	Total 31 March 2022 £m
Tangible fixed assets	30.5	-	21.3	51.8
Investments	25.9	-	1,088.6	1,114.5
Current assets	81.5	1.3	38.5	121.3
Current liabilities	(87.0)	-	(10.5)	(97.5)
Creditors – amounts falling due after more than one year	(5.0)	-	(150.0)	(155.0)
Provisions	(35.1)	-	(0.2)	(35.3)
Pension (liability)/asset	(0.1)	-	42.6	42.5
Total net assets	10.7	1.3	1,030.3	1,042.3

As at 31 March 2021	Group			
	Unrestricted Funds £m	Restricted Funds £m	Protected Asset Fund £m	Total 31 March 2021 £m
Tangible fixed assets	30.2	-	21.2	51.4
Investments	35.8	-	1,005.2	1,041.0
Current assets	88.5	0.6	35.3	124.4
Current liabilities	(91.7)	-	(4.1)	(95.8)
Creditors – amounts falling due after more than one year	(1.7)	-	(150.0)	(151.7)
Provisions	(41.7)	-	(0.2)	(41.9)
Pension liability	(0.1)	-	(45.6)	(45.7)
Total net assets	19.3	0.6	861.8	881.7

24. Analysis of net assets by fund (continued)

As at 31 March 2022	Canal & River Trust			
	Unrestricted Funds £m	Restricted Funds £m	Protected Asset Fund £m	Total 31 March 2022 £m
Tangible fixed assets	30.5	-	21.3	51.8
Investments	26.4	-	1,003.2	1,029.6
Current assets	104.4	1.3	6.2	111.9
Current liabilities	(103.0)	-	(14.5)	(117.5)
Creditors – amounts falling due after more than one year	(5.2)	-	(150.0)	(155.2)
Provisions	(34.6)	-	-	(34.6)
Pension (liability)/asset	(0.1)	-	107.8	107.7
Total net assets	18.4	1.3	974.0	993.7

As at 31 March 2021 (Restated*)	Canal & River Trust			
	Unrestricted Funds £m	Restricted Funds £m	Protected Asset Fund £m	Total 31 March 2021 £m
Tangible fixed assets	30.2	-	21.2	51.4
Investments	36.3	-	909.5	945.8
Current assets	104.7	0.6	11.6	116.9
Current liabilities	(103.2)	-	-	(103.2)
Creditors – amounts falling due after more than one year	(2.2)	-	(150.0)	(152.2)
Provisions	(41.7)	-	-	(41.7)
Pension (liability)/asset	(0.1)	-	38.5	38.4
Total net assets	24.0	0.6	830.8	855.4

* In the prior year Unrestricted Funds and Total funds Current assets and Current liabilities were both understated by £11.5m and have been restated in the comparatives.

25. Operating lease commitments

Operating lease agreements where the Group is lessee

Future minimum rentals payable under non-cancellable operating leases are as follows:

	Group		Canal & River Trust	
	31 March 2022 £m	31 March 2021 £m	31 March 2022 £m	31 March 2021 £m
Leasehold properties				
Within one year	0.7	0.8	0.7	0.8
Within two to five years	2.6	2.7	2.6	2.7
In more than five years	99.9	100.7	99.9	100.7
	103.2	104.2	103.2	104.2

During the year £1.5m (2020: £1.4m) was charged to the SoFA in respect of leasehold property rentals.

Operating lease agreements where the Group is lessor

Future minimum rentals receivable under non-cancellable rental agreements are as follows:

	Group		Canal & River Trust	
	31 March 2022 £m	31 March 2021 £m	31 March 2022 £m	31 March 2021 £m
Investment Properties				
Within one year	37.5	37.8	31.5	31.7
Within two to five years	126.6	131.8	102.4	107.6
Within six to 100 years	1,015.6	1,033.6	440.9	458.8
In more than 100 years	2,354.4	2,448.0	1,508.9	1,596.4
Other				
Within one year	17.5	14.0	17.5	14.0
Within two to five years	47.0	47.5	47.0	47.5
Within six to 100 years	421.1	390.3	421.1	390.3
In more than 100 years	485.8	434.6	485.8	434.6
	4,505.5	4,537.6	3,055.1	3,080.9

Amounts receivable under operating leases are calculated to the next contractual break date or the full term where there is no contractual break clause.

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

26. Pension and other post – retirement benefits

	Group		Canal & River Trust	
	31 March 2022 £m	31 March 2021 £m	31 March 2022 £m	31 March 2021 £m
Defined benefit pension fund surplus/(deficit)	42.6	(45.6)	107.8	38.5
Other post-retirement benefits	(0.1)	(0.1)	(0.1)	(0.1)
Employee benefit asset/(liability)	42.5	(45.7)	107.7	38.4

Pension fund surplus – defined benefit pension

The defined benefit scheme, known as the Waterways Pension Fund (WPF or the Scheme), is a multi-employer scheme with the Trust being the principal employer. Other participating employers now include British Waterways Board (trading as Scottish Canals) and OCS Group UK Limited. The Scheme closed to future accrual on 30 September 2016 for employees of the Trust and the other participating employers at that time.

In accordance with the terms of the transfer from British Waterways, Scottish Canals is liable to make a fair share and proportionate contribution, as determined by the scheme actuary from time to time, towards any deficit that exceeds the valuation deficit as at the transfer date of 2 July 2012. Any future recovery of deficit attributable to Scottish Canals is under a contractual arrangement with the Trust.

Contributions to the Scheme are agreed between the Trust and the trustees of the WPF, after advice from the Scheme Actuary, as part of the triennial actuarial valuation of the Scheme. The last triennial valuation of the Scheme was carried out as at 31 March 2019. As at that date the market value of the Scheme's assets (excluding members' additional voluntary contributions) amounted to £584m and the value placed upon the benefits that had accrued to members was £590m. The Scheme was therefore £6m in deficit and 99% funded on an on-going basis. The market value of the Fund's investment in Canal & River Pension Investments LP (SLP) (see below for more details) is included within the valuation of the Fund's assets.

As the SLP provides an annual income of £5m until 31 March 2031 and a lump sum on cessation, which could give rise to proceeds over and above the market value at valuation date, additional contributions were not deemed to be required to eliminate the deficit at the valuation date. The next triennial actuarial valuation will be carried out as at 31 March 2022.

On 9 July 2012, the Trust made a special contribution of £106.0m to the WPF pursuant to the creation of a pension funding partnership (SLP) with the Trust. The Scheme invested £106.0m in the SLP, a limited partnership registered in Scotland. The Scheme will remain invested in this partnership until 8 July 2031 at which point the Scheme's investment will be redeemed. The redemption value of the investment will be the lower of £125.0m or the valuation deficit in the Scheme at that time, with a minimum value of £0.01m, as assessed by the Scheme Actuary on a Technical Provisions basis. The Scheme is entitled to an annual distribution income from this investment of £5.0m per annum. In the year to 31 March 2021 the Scheme received £5.0m of income from the SLP investment.

An accounting judgement has been taken that the Scheme's £65.2m (2020/21: £84.1m) interest in the SLP, which is a subsidiary of the Trust, does not represent a plan asset for the purposes of the Group consolidated financial statements because it is a financial instrument issued by the Group and therefore, has not been taken into account in arriving at the Group pension scheme surplus/deficit presented in the Group consolidated financial statements.

The exclusion of the Scheme's interest in the SLP from the Scheme's assets results in a surplus of £42.6m in the Group financial statements. The Scheme's interest in the SLP is included in the valuation of the Scheme in Canal & River Trust's company balance sheet.

The assumptions required for accounting purposes, under FRS102 differ from the assumptions used for the Scheme's technical provisions funding assumptions, and as a result, under FRS102, the Scheme valuation for

accounting purposes is different to the actuarial valuation. The SLP asset has been recognised in accordance with IFRIC 14 as under the WPF trust deed and rules the Trust has an unconditional right to its share of any surplus following the winding up of the WPF.

The valuation of the Scheme used for FRS102, section 28 'Retirement benefits' disclosures has been based on the most recent actuarial valuation of the WPF at 31 March 2019 and updated to 31 March 2022 by independent qualified actuaries from Lane Clark & Peacock LLP. The liabilities attributed to the Trust reflect the Trust's share of liabilities in the WPF.

The key assumptions used are as follows:

	31 March 2022	31 March 2021
Discount rate	2.80%	2.10%
Rate of increase in salaries	3.90%	3.40%
Rate of increase for majority of pensions in payment and deferred pensions*	3.20%	2.70%
Rate of CPI inflation	3.20%	2.70%
Tax free cash	Members are assumed to take 25% of their pension as tax free cash	Members are assumed to take 25% of their pension as tax free cash
	95% of S3PMA_H (males)	95% of S3PMA_H (males)
	95% of S3PFA_H (females)	95% of S3PFA_H (females)
Post retirement mortality assumption	CMI 2021 model, long term rate of improvement 1.25% (smoothing factor 7.0)	CMI 2020 model, long term rate of improvement 1.25% (smoothing factor 7.0)
	Initial improvements of 0.00%	Initial improvements of 0.00%

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

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

	31 March 2022	31 March 2021
Male currently aged 43	23.1	23.3
Female currently aged 43	26.7	26.9
Male currently aged 63	21.6	21.8
Female currently aged 63	25.2	25.3

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

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 0.1% Decrease by 0.1%	Decrease by 1.6% (£8.6m) Increase by 1.6% (£8.6m)
CPI rate of inflation	Increase by 0.1% Decrease by 0.1%	Increase by 1.2% (£6.7m) Decrease by 1.2% (£6.7m)
Life expectancy	Increase by one year Decrease by one year	Increase by 3.9% (£21.2m) Decrease by 3.9% (£21.2m)

26. Pension and other post – retirement benefits (continued)

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

	Group	
	Year to 31 March 2022 £m	Year to 31 March 2021 £m
Administration expenses	(0.8)	(0.9)
Interest cost	(12.1)	(12.5)
Interest on assets	11.2	12.0
Amount charged within net income	(1.7)	(1.4)
Actuarial gain/(loss)	83.9	(27.8)
Amount charged within net movement in funds	82.2	(29.2)

Amounts recognised in the balance sheet at 31 March 2022:

	Group		Canal & River Trust	
	2022 £m	2021 £m	2022 £m	2021 £m
Equities	9.0	26.6	9.0	26.6
Corporate bonds	179.0	179.6	179.0	179.6
LDI (Liability Driven Investment)	285.6	234.6	285.6	234.6
Property funds	44.4	46.2	44.4	46.2
Diversified growth funds	51.3	42.6	51.3	42.6
Investment in property interest in SLP	-	-	65.2	84.1
Other growth assets	10.1	7.3	10.1	7.3
Cash & liquidity funds	10.2	14.6	10.2	14.6
Total fair value of assets	589.6	551.5	654.8	635.6
Present value of scheme liabilities	(547.0)	(597.1)	(547.0)	(597.1)
Surplus/(deficit) in the scheme	42.6	(45.6)	107.8	38.5

The actual return on the Scheme's assets during the year was a £51.3m gain (2021: £85.0m gain) for the Group and a £33.7m gain (2021: £69.9m gain) for the Trust.

FRS102 requires all Scheme assets to be valued at fair value for accounting purposes. As at 31 March 2022, the fair value of the Scheme's investment in the SLP was £65.2m (2021: £84.1m).

Changes in scheme assets

	Group		Canal & River Trust	
	2021/22 £m	2020/21 £m	2021/22 £m	2020/21 £m
At 1 April	551.5	482.4	635.6	581.6
Interest on scheme assets	11.2	12.0	13.0	14.5
Principal employer contributions	6.0	5.9	6.0	5.9
Benefits paid and expenses	(19.2)	(21.8)	(19.2)	(21.8)
Actuarial gain	40.1	73.0	19.4	55.4
At 31 March	589.6	551.5	654.8	635.6

Changes in scheme liabilities

	Group		Canal & River Trust	
	2021/22 £m	2020/21 £m	2021/22 £m	2020/21 £m
At 1 April	(597.1)	(504.7)	(597.1)	(504.7)
Interest cost	(12.1)	(12.5)	(12.1)	(12.5)
Benefits paid	18.4	20.9	18.4	20.9
Actuarial gain/(loss)	43.8	(100.8)	43.8	(100.8)
At 31 March	(547.0)	(597.1)	(547.0)	(597.1)

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

	Group		Canal & River Trust	
	2021/22 £m	2020/21 £m	2021/22 £m	2020/21 £m
At 1 April	(45.6)	(22.3)	38.5	76.9
Expenses recognised in SoFA	(1.7)	(1.4)	0.1	1.1
Contributions	6.0	5.9	6.0	5.9
Actuarial gain/(loss) recognised in SoFA	83.9	(27.8)	63.2	(45.4)
At 31 March	42.6	(45.6)	107.8	38.5

Defined contribution pension plan

The defined contribution plan is a pension plan under which the Trust pays fixed contributions to Standard Life. The Trust has no legal or constructive obligations to pay further contributions. The amount of employer contributions (net of salary sacrifice contributions) is disclosed in note 10 in these financial statements. There were no material amounts owing or prepaid at 31 March 2022.

27. Capital commitments

Capital expenditure for which the Trust had contracted at 31 March 2022 was £1.1m (2021: £0.6m) relating to tangible fixed assets and £0.2m (2021: £nil) relating to the commitment to purchase investment property. These commitments fall due within one year.

28. Related party transactions

The Trust has considered the disclosure requirements of the SORP for charities and FRS102, section 33 'Related Party Disclosures' and believes that the following related party transactions, all of which were made on an arm's length basis, required disclosure:

Susan Wilkinson, Trustee and Remuneration Committee member, is a Commissioner at Historic England. In 2020/21 the Trust received a £nil (2021: £1,596,950) contribution towards waterway infrastructure works from Historic England.

Stuart Mills, Chief Investment Officer, is a director of Sustrans Ltd. In 2021/22 the Trust received £8,052 (2021: £987) from Sustrans for services provided and paid £nil (2021: £4,457) to Sustrans for services provided. At 31 March 2021, the amount owing to and from the Trust from Sustrans was £nil (2021: £nil).

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

Related party transactions of the above nature are permitted under Article 4.4.3 of the Trust's Articles. The Board were aware of these transactions and agreed to their continuation. There were no amounts written off in relation to the above transactions.

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

	Amount receivable during the year to 31 March 2022 £m	Amount (payable)/receivable during the year to 31 March 2021 £m	Amount receivable/(payable) at 31 March 2022 £m	Amount receivable/(payable) at 31 March 2021 £m
Transactions with joint ventures				
Property sales and investment activity with joint ventures	0.5	(0.5)	-	-
Other significant transactions with joint ventures	0.3	0.2	-	-
	0.8	(0.3)	-	-

The table above excludes capital and loan investments in joint ventures which are detailed in note 17 in these financial statements.

	Amount receivable during the year to 31 March 2022 £m	Amount receivable during the year to 31 March 2021 £m	Amount receivable at 31 March 2022 £m	Amount receivable at 31 March 2021 £m
Transactions with subsidiaries				
Canal & River Trading CIC				
Qualifying charitable donations	0.3	4.6	-	0.1
Canal & River Pension Investments LP (SLP)				
Profit share payments	1.0	1.0	-	0.2
	1.3	5.6	-	0.3

Further details on our subsidiaries can be found in note 17 to these financial statements.

29. Prior period restatement

The published financial statements for the period ended 31 March 2021 included a material misstatement that has been corrected in the disclosure of the prior period comparatives in this report. The Canal and River Trust entity reported Cash at bank and in hand was understated by £11.5m, and Creditors falling due within one year was understated by £11.5m. The effect of the restatement on the previously reported balances for the prior year is outlined below.

		Canal & River Trust		
	Note	31 March 2021 Previously reported	31 March 2021 Restatement	31 March 2021 Restated
Fixed assets				
Tangible assets	13	51.4	-	51.4
Heritage assets	14	-	-	-
Investments:				
Property	15	592.0	-	592.0
Diversified investment funds	16	259.2	-	259.2
Subsidiaries	17	94.6	-	94.6
Joint ventures	17	-	-	-
		997.2	-	997.2
Current assets				
Stock		1.1	-	1.1
Debtors: amounts falling due within one year	18	73.9	-	73.9
Debtors: amounts falling due after more than one year	18	8.1	-	8.1
Investments	16	-	-	-
Cash at bank and in hand		22.3	11.5	33.8
		105.4	11.5	116.9
Current liabilities				
Creditors: Amounts falling due within one year	19	(91.7)	(11.5)	(103.2)
Net current assets		13.7	-	13.7
Total assets less current liabilities		1,010.9	-	1,010.9
Creditors: Amounts falling due after one year	19	(152.2)	-	(152.2)
Provisions for liabilities	21	(41.7)	-	(41.7)
Net assets excluding pension fund asset		817.0	-	817.0
Pension fund asset/(liability)	26	38.4	-	38.4
Net assets including pension fund (liability)/asset		855.4	-	855.4
Funds				
Unrestricted Funds:				
General Fund	23	5.5	-	5.5
Designated Funds	23	18.5	-	18.5
		24.0	-	24.0
Restricted Funds:				
Restricted Income Funds	23	0.6	-	0.6
Protected Asset Fund	23	830.8	-	830.8
		831.4	-	831.4
Total funds		855.4	-	855.4

Membership of the Board of Trustees, Executive Team, Council and Committees

Trustees



Allan Leighton,
Chair

Appointed as Chair:
September 2015

Term: Third

Committee Membership: Joint Council & Trustees Appointments Committee, Investment Committee

Skills and Experience: Allan is the chair of the following Boards: Co-operative Group, Allbright Group Limited, C&A Cofra Holding AG, Simba Sleep, Northern Bloc Ice Cream Limited, and Element Materials Technology. He was formerly the CEO of Asda plc, chair of the Royal Mail, Pandora AS and has also held a number of non-executive chairmanships including lastminute.com, Dyson Ltd and BskyB Group plc. Allan was also chair of Race for

Opportunity and an ambassador for Prince Charles in Business in the Community. Allan attended the Advanced Management Programme at Harvard and has an Honorary Degree from Cranfield, was awarded a Doctor of Letters from York St John University and an Honorary Fellowship from the University of Lancashire. He is a keen canal runner.

Allan Leighton's term of office ended on 21 September 2022.



Dame Jenny Abramsky

Appointed:
September 2016

Term: Second

Committee Membership: Joint Council & Trustees Appointments Committee (Chair), Audit & Risk Committee, Grant Review Trustee Working Group

Skills and Experience: Jenny was appointed as deputy chair in September 2017. Jenny is chair of the Royal Academy of Music and served six years as chair of the Heritage Lottery Fund/National Heritage Memorial Fund, among other voluntary roles. She is the Chair of Friends of Kenwood House. She has also been the BBC's director of radio and music after running the BBC's 24 hours news service.



Nigel Annett,
CBE

Appointed:
September 2016

Term: Second

Committee Membership: Infrastructure Committee (Chair), Audit & Risk Committee, Investment Committee

Skills and Experience: Nigel is currently a non-executive director of the Principality Building Society, and a trustee of Community Foundation in Wales. He is a former managing director of Welsh Water and is co-founder of Glas Cymru, the not-for-profit company that successfully took over the ownership of Welsh Water back in 2001, a move which resulted in the water industry

in Wales being owned on behalf of its customers.



Ben Gordon

Appointed:
September 2014

Term: Third

Committee Membership: Remuneration Committee (Chair), Infrastructure Committee

Skills and Experience: Ben is a trustee of United Learning. Previously he was chair of Heal & Son, chief executive of Mothercare plc for nine years, and SVP and managing director of the Disney Store Europe and Asia-Pacific. Ben was also non-executive director of Britvic plc and of St Ives plc. Prior to that he had senior management positions

in WHSmith plc and L'Oreal SA in the UK, USA and France. Ben has an MBA from INSEAD and is a member of the Institution of Civil Engineers.

Ben Gordon's term of office ended on 21 September 2022.



Janet Hogben

Appointed:
September 2016

Term: Second

Committee Membership: Joint Council & Trustees Appointments Committee, Remuneration Committee, Infrastructure Committee

Skills and Experience: Janet was the chief people officer at EDF Energy, having previously worked at BP, where she held a variety of roles, and then at Seagram and at Diageo, leading on a number of global strategy and business specific HR positions. Janet is appointed by the Trust as a non-voting observer to the Waterway Ombudsman Committee.



Sir Chris Kelly

Appointed:
September 2017

Term: Second

Committee Membership: Audit & Risk Committee (Chair), Infrastructure Committee, Grant Review Trustee Working Group

Skills and Experience: Chris is a senior independent director on the Board of the Co-op Group and chairs its insurance subsidiary. He also chairs the Oversight Board of the Office for Budget Responsibility. He has in the past chaired the NSPCC, the Kings Fund, the Financial Ombudsman Service and the Committee on Standards in Public Life, among other bodies. Before that, he

was a civil servant, mainly in HM Treasury but subsequently as head of policy at the then Department of Social Security and finally as permanent secretary to the Department of Health.



Jennie Price, CBE

Appointed:
September 2018

Term: Second

Committee Membership: Grant Review Trustee Working Group (Chair), Audit & Risk Committee, Infrastructure Committee

Skills and Experience: Jennie is a lawyer by training and was CEO of Sport England from 2007 until 2018. During that period the organisation's strategy moved towards a broader sport and physical activity agenda with an emphasis on behaviour change. She also commissioned the multi-award winning This Girl Can campaign, and was awarded a CBE for services to sport in 2017. Jennie has also led

organisations in the environmental and construction sectors. She now chairs the Independent Board overseeing integrity in tennis, and acts as an expert advisor on international sports policy. In 2019 she was also appointed as a Forestry Commissioner and since 2021 has been the Chair of the UK Board of Trustees at the Scouts Association.



Tim Reeve

Appointed:
September 2016

Term: Second

Committee Membership: Investment Committee, Grant Review Trustee Working Group

Skills and Experience: Tim is deputy director and chief operating officer of the Victoria and Albert Museum (V&A), the world's leading museum of art and design, a post he has held since 2013. Tim has overall responsibility for the operation of the Museum, including the delivery of a world-class visitor experience. He also led the V&A's support of China Merchant's Group in the creation of the V&A Galleries within a new design museum in Shenzhen, China, which opened to great

acclaim in December 2017. Tim is closely involved in establishing V&A East, a dynamic new museum in the Queen Elizabeth Olympic Park in East London. Before joining the V&A, Tim was director of historic properties at English Heritage. He is a graduate in Ancient History from Royal Holloway, University of London and studied at the Institute of Archaeology (UCL) and INSEAD on its International Executive Programme. He is also a trustee of 'Paintings in Hospitals'.



Sarah Whitney

Appointed:
September 2018

Term: Second

Committee Membership: Investment Committee (Chair)

Skills and Experience: Sarah is a chartered accountant and real estate specialist. Her executive career was spent at PricewaterhouseCoopers, where she was a corporate finance partner; at DTZ (now Cushman & Wakefield), where she was head of the Consulting & Research business and served on the DTZ Global Executive Committee; and at CBRE, where she headed the Government & Infrastructure Team and served on the UK board. More recently, Sarah was one of the founder directors of

Metro Dynamics, a specialist consultancy focused on city growth and development. She is a member of the Council of University College London, where she also serves on the Investment and Finance Committees; a trustee of the Land Trust, where she chairs the Audit Committee and is a member of the Investment Committee; and a senior visiting fellow at the University of Cambridge where she teaches planning, growth and regeneration at both undergraduate and postgraduate level.



Susan Wilkinson

Appointed:
September 2017

Term: Second

Committee Membership: Remuneration Committee

Skills and Experience: Sue is a commissioner at Historic England, trustee of English Heritage, deputy chair of the Churches Conservation Trust and a board director of the Association of Leading Visitor Attractions (ALVA). She is also the vice-chair and trustee at the Medical Research Foundation. Sue has extensive experience in the not-for-profit and tourism sectors and was a board director at the National

Trust until the end of 2016 with responsibility for membership, fundraising, volunteering and tourism. Until 2018 Sue was a trustee at the Old Royal Naval College, Greenwich and she previously held a number of non-executive roles with Visit Britain, Visit England and the Institute of Fundraising. Sue is the appointed safeguarding trustee and is a member of the Trust's Safeguarding Steering Group.



David Orr, CBE
Chair

Appointed:
September 2022

Term: First

Committee Membership: Investment Committee, Grant Review Trustee Working Group

Skills and Experience: David is a hugely experienced leader in both Executive and Non-Executive roles. He has over 30 years experience in Chief Executive roles, most recently at the National Housing Federation, having previously been Chief Executive of the Scottish Federation of Housing Associations and of Newlon Housing Trust.

In Non-Executive roles David is Chair of The Good Home Inquiry. He is Chair of Clarion HA Board, Chair of ReSI Housing and ReSI Homes and a board member of Clanmil HA and the National Communities Resource Centre. He is a previous President of Housing Europe and previous Chair of Reall, an international housing

development charity. David is also co-Chair of #Housing 2030, a joint Housing Europe and UNECE study on affordable housing in the UNECE region and was a member of the Archbishop of Canterbury's Housing, Church and Community Commission.

David is widely regarded as a compelling and inspiring public speaker focusing on the challenge of optimistic leadership and the critical importance of great governance. He has huge media experience, is a well-regarded commentator and blogger and has extensive expertise navigating the sometimes opaque world of politics and government.

In June 2018 David was awarded a CBE.



Bronagh Kennedy

Appointed:
September 2022

Term: First

Skills and Experience: Bronagh has worked for Severn Trent Plc since 2011 as Group Company Secretary & General Counsel, with executive responsibility for corporate sustainability, reputation risk management, governance, legal affairs, data protection and regulatory compliance. She was previously HR Director for Michells & Butlers Plc. Bronagh is also an experienced non-executive,

serving as a director and as Remuneration Committee Chair designate for Wolseley UK, and as a director and as Chair of the HR and Remuneration Committee for British Canoeing for the past six years. Bronagh has a very strong connection with water, especially the well-being aspects and sustainability. She lives close to the Grand Union Canal and regularly enjoys time on our canals and waterways.



Ian Peters

Appointed:
September
2022

Term: First

Skills and Experience: Ian's executive career began in banking for NatWest Bank and RBS before becoming European Marketing Director for Marsh and then Managing Director of Goldfish Bank. Substantial roles at British Gas followed culminating in the role of CEO. His non-executive experience includes Chair of Barts Health Trust and of British Gas Services, Trustee at Carers UK, and Senior Independent Director of Intelligent Environments plc. He is currently Chair of the UK Health

Security Agency and of several data-driven growth technology and energy efficiency companies. Ian has a lifelong affinity with waterways having spent his early life walking the footpaths of the Grand Union and Stratford Canals, and at times manning the paddles on the 21 Hatton locks. He has great respect for the industrial achievement and heritage that the canals present and is passionate about physical and mental well-being and sustainability.

Executive Team



Richard Parry,
Chief Executive

Richard joined Canal & River Trust as chief executive in July 2013 and has led the new charity through a series of changes as it has developed its new identity and explored the many new opportunities available in the third

sector. Prior to joining the Trust, Richard spent 19 years at London Underground – where he was acting managing director for a year – followed by a brief spell at FirstGroup's Railway Division.



Julie Sharman,
Chief
Operating
Officer

Julie is responsible for the operational management and performance of the Trust's rivers and canals, including all aspects of customer services, volunteering and engagement. Julie joined the Trust in 1996 following an early career in construction with Taylor

Woodrow and Aoki-Soletanche. A chartered civil engineer, she has gained a broad experience in waterway management, asset management, engineering, partnerships and funding with the Trust.



Stuart Mills,
Chief
Investment
Officer

Stuart is responsible for the Trust's principal commercial income sources including the investment portfolio of property, joint ventures and diversified assets. Stuart also looks after the utilities, commercial water and direct managed moorings businesses, as well as our

business boating relationships. A chartered surveyor, Stuart joined Canal & River Trust in 1990 after working in private sector property consultancy. He has worked extensively across the country in various commercial roles, before becoming a director in 2008.



Heather Clarke,
Strategy,
Engagement &
Impact Director

Heather has executive accountability for: developing, driving & communicating the Trust's overall strategic direction; building the Trust's strategic plans, campaigns and evidence base; growing our supporter base and our statutory and voluntary income; engaging with key policy and decision makers, partners and stakeholders at different spatial levels; as well as influencing outcome generation and placemaking through planning appointed member and design.

1997, after working for an urban development corporation which was charged with delivering large scale area-based urban regeneration in the Black Country. A chartered town and regional planner, with a MSC in Historic Conservation and postgraduate diploma qualification in urban design, she has gained extensive experience in strategic and statutory planning, property-based urban regeneration, place-making and partnership working. Heather is a trustee director of the Roundhouse in Birmingham.

She joined British Waterways (predecessor to the Trust) in



Steve Dainty,
Finance
Director

Steve spent over twenty years in the private sector, most recently at GKN plc where he held several finance and general management positions with global responsibility. Prior to this, he was

employed by KPMG as part of the UK audit and advisory team, where he qualified as a chartered accountant. Steve joined the Trust in 2019 and has responsibility for finance, procurement and IT.



Tom Deards,
Legal &
Governance
Director

Tom has responsibility for the legal and governance functions of the Trust. He is a qualified solicitor who joined the Trust's legal team in 2007, having trained and qualified at City law firm Clifford Chance, before going on to complete a Legal Masters at UCL in Environmental Law,

whilst working as an environment and planning lawyer in local government. Tom is the Trust's company secretary and data protection officer. He is appointed by the Trust as a non-voting observer to the Waterway Ombudsman Committee.

Council Membership at 31 March 2022



Malcolm Horne,
Chief
Infrastructure
& Programmes
Officer

Malcolm joined the executive team in March 2022 to oversee all asset management and engineering delivery. This includes our in-house construction teams, supply chain partners, as well as our programme management office. He is a chartered civil engineer, active in professional bodies such as the Chartered Institute of Water and Environmental Management (CIWEM) and the Institution of Civil Engineers (ICE).

Prior to joining the Trust, Malcolm spent 14 years at Severn Trent, most recently as Head of Water Quality and Environment,

delivering environmental enhancements, as well as being accountable for all public health oversight and primary liaison with the Environment Agency, Natural Resources Wales and the Drinking Water Inspectorate. Other roles included economic regulation, infrastructure delivery, asset management and cross-company transformation programmes. Malcolm started his career designing and installing small scale hydropower in Nepal, before returning to the UK where the first half of his career was in consultancy, across multiple sectors and disciplines.



Anne Gardner-Aston,
Director of
Health & Safety

Anne joined the Trust in September 2021, having spent 25 years as a health and safety specialist in a variety of organisations including the Metropolitan Police and a large housing developer. She

is responsible for working with colleagues to ensure the Trust complies with its H&S legal obligations, and setting the strategic direction and framework for continuous improvement in safety performance and culture.



Karen Seth,
People
Director

Karen joined the Canal & River Trust as people director in July 2021, with executive accountability for key areas such as human resources, organisational development, internal communications and colleague reward. Prior to joining the Trust, Karen spent seven years as people director at the Co-operative Group across food, funeral care and legal services. She has also led on the people aspects of the Co-operative wide operating model programme.

Karen has extensive experience, having spent 17 years at Sainsbury's as part of the human resources team covering many roles, such as employee relations, industrial relations and organisational development. Karen is a non-executive director for the NHS Business Services Authority and is a trustee director for Reubens Retreat Charity based in Glossop, as well as being a Fellow of the Chartered Institute of Personnel and Development.

Elected Members

Boating Business	Heather Duncan	Business Boating
	Carl Onens	Business Boating
Private Boating (elected)	Tim Allen	Private Boating
	Phil Prettyman	Private Boating
	Helen Hutt	Private Boating
	Dave Mendes da Costa	Private Boating
Volunteers	Ian McCarthy	Volunteers
	David Williams	Volunteers
Angling/Fishery	David Kent	Angling/Fisheries
Friends	Stella Ridgway	Friends
Employee	John Ellis	Employees

Nominated Members

Co-opted	Duncan Mackay	Co-opted
	Tracey Clarke	Co-opted
	Louis Howell	Co-opted
Private Boating (nominated)	Richard Atkinson	British Canoeing
	Andrew Phasey	Association of Waterway Cruising Clubs
Inland Waterways Association	Neil Edwards	Inland Waterways Association
Other supporters	Mark Riches	Country Land & Business Association
	Vacant	Ramblers Association
	Sophie Gordon	Cycling UK
	Tim West	Commercial Boat Operators Association
Historic Environment	Nigel Crowe	Institute of Historic Building Conservation
	Patrick Moss	Railway & Canal Historical Society
Natural Environment	Terry Fuller	Chartered Institute of Water and Environmental Management
	Ali Morse	The Wildlife Trusts
Local Government	Cllr Peter Thornton	Local Government Association
	Graeme McDonald	Society of Local Chief Executives
Bwrdd Glandŵr Cymru	Steve Thomas	Bwrdd Glandŵr Cymru
Health and Wellbeing	Gavin Atkins	Mind
Youth Engagement	Cllr Joe Porter	Step Up to Serve

Regional Advisory Boards, Ex Officio

East Midlands	Anil Majitha	N/A
London & South East	Vacant	N/A
North West	Prof. Nigel Weatherill	N/A
South West	David Hagg	N/A
West Midlands	John Hudson	N/A
Yorkshire & North East	Helen Grantham	N/A

Departed Council Members

Gemma Cantelo (until March 2022)	Ramblers Association
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Bwrdd Glandŵr Cymru Membership at 31 March 2021

Bwrdd Glandŵr Cymru	Steve Thomas CBE (Chair)
	Dr Ruth Hall CB
	Carys Howell
	Phil Hughes
	Peter Ogden
	Paul Thomas
	Celia Jenkins

Regional Advisory Board at 31 March 2021

East Midlands	Anil Majithia (Chair)	South West	David Hagg (Chair)
	Terry Cavender		David Fearn
	John Francis		Bryony Houlden
	Nigel Cooke		Mary Hutton
	Ahtesham Mahmood		Tamsin Phipps
	Andy Oughton		John Podmore
	Kamla Pattni	West Midlands	John Hudson (Chair)
London & South East	(Chair vacant)		Nick Giess
	David Brough		John McNicholas
	Louis Howell		Helen Paterson
	Matthew Hunt		Prubhijot Singh
	Sam Anderson Brown	Yorkshire & North East	Helen Grantham (Chair)
	Dominic Pinto		Adrian Curtis
North West	Prof Nigel Weatherill DL (Chair)		Caroline Thorogood
	Tayo Adebawale		
	Gerry Proctor		
	Professor Ebrahim Adia		
	Rt Hon Sir Robert Atkins		
	Mick Cartledge		
	Nigel Weatherill		

Advisory Groups at 31 March 2021

Environmental	Ed Mitchell (Chair)	Navigation	Mike Carter (Chair)
	Prof Rafid Al Khaddar		Sue Cawson
	Caroline Essery		Nick Grundy
	Lindsay Frost		John Hatton
	Ash Girdler		Gareth Jones
	Dr Bruce Lascelles		Ian McCarthy
	Duncan Mackay		Nigel Stevens
Museums	Sam Mullins (Chair)	Youth Engagement	Lee Wilshire
	Jonathan Bryant		Louis Howell (Chair)
	Emma Chaplin		Lydia Allen
	Bill Ferris		John Downes
	Rob Lansdown		Michelle Hemmingfield
	Andrew Lovett		Vanessa Joseph
	Marilyn Scott		Holly Notcutt
	Dr Matthew Tanner MBE		Kristen Stephenson
	Robert Turner	Cultural Heritage	Nigel Barker-Mills (Chair)
Fisheries & Angling	Professor Ian Trayer (Chair)		Elizabeth Adams
	Paul Coulson		Nigel Crowe
	John Ellis		Lizzie Glithero-West
	Sue Galloway		Dr Jennifer Hagan
	David Kent		Rebecca Madgin
	Michael Heylin		Neil Redfern
	Dennis Hunt		David Rudlin
	Kye Jerrom		Sandar Stancliffe
	Phil Mattock		
	David Ottewell		
	Mark Parry		
	Andy Strickland		

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Thank you to everyone that has donated, volunteered or supported our work. Volunteers, youth and community groups, canal societies and clubs have joined with us to help transform our canals and rivers, these unpaid hours have made our work possible. We are very grateful to the thousands of individuals who have joined us as Friends of the Trust or who have given personal donations to support our work.

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London Borough of Camden	West Yorks Passenger Transport Executive
London Borough of Haringey	Wigan Metropolitan Borough Council

Patron

HRH The Prince of Wales

Chair

David Orr, CBE

Deputy Chair

Dame Jenny Abramsky

The Trust's Advisors

Bankers:

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EC2R 8PA

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Bridgewater House
Counterslip Bristol
BS1 6BX

Internal Auditors:

Grant Thornton UK LLP
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London
EC2A 1AG

Investment Managers:

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London
W8 5EH

Image: Leeds, Leeds &
Liverpool Canal



Canal & River Trust

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The Canal & River Trust is a charitable company limited by guarantee registered in England & Wales with company number 07807276 and charity number 1146792.

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