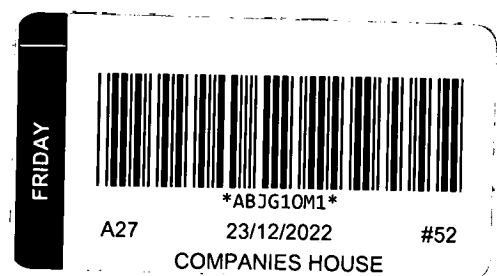


# Annual Report Canal & River Trading CIC

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**For the year ended 31 March 2022**



**Registered number: 08069602**

## Company Information

**Directors**

SC Mills  
T Deards  
S Dainty  
J Bywater

**Registered number**

08069602

**Registered office**

National Waterways Museum Ellesmere Port  
South Pier Road  
Ellesmere Port  
Cheshire  
CH65 4FW

**Independent auditor**

BDO LLP  
Bridgewater House  
Counterslip Bristol  
BS1 6BX

**Bankers**

NatWest Bank PLC  
PO Box 12258  
1 Princes Street  
London  
EC2R 8BP

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# **Directors' Report**

**For the year ended 31 March 2022**

The directors present their report and the financial statements for the year ended 31 March 2022.

## **Directors' Responsibilities Statement**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland").

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- 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 Company will continue in business.

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

## **Principal activities**

Canal & River Trading CIC (Community Interest Company) was incorporated on 15 May 2012 and is a wholly owned subsidiary of the Canal & River Trust. The Company's objects are to provide benefit to the general public in the UK, in particular (but not without limitation) those who visit or use inland waterways for navigation, leisure or recreation. The principal activity of the Company is to invest in long term property developments as well as carrying out other trading activities to create profit surpluses which can then be donated to the Canal & River Trust (registered company number 07807276), a charity registered by the Charity Commission in England & Wales.

## **Business review**

Turnover reduced by £4.6m due to income from the People's Post Code lottery (PPL) received in prior years no longer being received from 1 April 2021. Previously this income was gifted to Canal & River Trust to deliver its charitable activities and from 1 April 2021 it was agreed with PPL to be donated directly to Canal and River Trust.

Investment income returns of £0.2m are £0.1m lower than prior year due to disposal of investment property. Pleasingly there was a return to events and venue hire during the year after previous year closures related to the pandemic, with £0.1m of income generated.

Interest received of £0.4m is £0.3m higher than prior year due to indexation of long term debtor for deferred consideration on land contracted for disposal.

Profits on disposal of £0.5m relates to disposal of investment property above book value and overage receipts from historic disposals.

## **Directors' Report (Cont.)**

Unrealised surplus on revaluation of investment property is £0.7m representing 29% growth. This is reflective of development potential on several properties.

The loan from CIC to Waterside Places was impaired in prior years. At March 2022 the impairment was fully unwound as the net assets of the joint venture exceed the value of the loan from CIC.

### **Joint Venture development**

The Company partner loans to our Joint Ventures decreased by £11.5m during the year. This was principally due to temporary lower development activity within the Joint Ventures and lower levels of capital required.

The Company paid a gift of £0.3m in the year to the Canal and River Trust funded from available distributable reserves. The gifting of available profits to the Canal and River Trust reflects the commitment of the Company to the delivery on the objective of providing public benefit to visitors and users of the inland waterways.

### **Directors**

The directors who served during the year were:

SC Mills  
QP Pickford (resigned 19 May 2021)  
T Deards  
S Dainty  
J Bywater (appointed 19 May 2021)

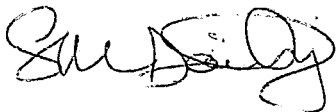
### **Disclosure of information to auditor**

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The Directors' Report has been prepared in accordance with the provisions applicable to companies' subject to the small companies' regime under the Companies Act 2006.

This report was approved by the board on 26 September 2022.



Steven M Dainty  
Director  
On behalf of the board  
26 September 2022

# Independent Auditor's Report to the Members of Canal & River Trading CIC

## **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its profit 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 Trading CIC ("the Company") for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, the Balance Sheet, the Statement of Changes in Equity and 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 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 relating to going concern**

In auditing the financial statements, we have concluded that the Directors' 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 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 Directors with respect to going concern are described in the relevant sections of this report.

## **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Directors' report 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

### **Responsibilities of Directors**

As explained more fully in the Directors' Responsibilities Statement, the Directors 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 Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the 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 Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

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 and the directors. 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 instances which may increase the risk of fraud such as performance related pay or loan covenants at a Company level;
- any instances which may increase the risk of fraud such as performance related pay or loan covenants at a Group level, of which the Company's results comprise a significant element; 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 Company. These include, but are not limited to, compliance with, Companies Act 2006, UK GAAP and tax legislation.

In addition, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: data protection. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Those Charged with Governance and other 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 tested to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- We made enquiries of management and the directors;
- We discussed applicable laws and regulations with management and read minutes of meetings of those charged with governance to identify any instances of fraud or non compliance;
- 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 Company and/or 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 Company 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 Company and/or Group and ensured that we understood any incentive to manipulate the results of the Company/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 investments.

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 regulations in 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 is available on the Financial Reporting Council'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 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 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

are inherent limitations in the audit procedures performed and the further removed non-compliance with laws

DocuSigned by:

*Heather Wheelhouse*

DA15AED75D45463  
Heather Wheelhouse (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
Bristol

26 September 2022

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



# Statement of comprehensive income

For the year ended 31 March 2022

		2021/22	2020/21
	Note	£	£
<b>Turnover</b>	2	<b>299,906</b>	4,887,119
Cost of Sales		<b>(207,331)</b>	(215,488)
<b>Gross profit</b>		<b>92,575</b>	4,671,631
Administrative expenses		<b>(416,056)</b>	(256,838)
<b>Operating (loss)/profit</b>	3	<b>(323,481)</b>	4,414,793
Net profit on sale of investment property		<b>545,408</b>	219,176
Dividend received		-	-
Interest received		<b>351,791</b>	55,845
Reversal of impairment/(impairment) of amounts owed by Joint venture undertakings		<b>2,446,591</b>	(536,313)
Unrealised surplus/(deficit) on revaluation of investment properties		<b>702,500</b>	138,013
<b>Profit on ordinary activities before taxation</b>		<b>3,722,809</b>	4,291,514
Tax charge on ordinary activities	4	<b>(118,713)</b>	-
<b>Profit after taxation</b>		<b>3,604,096</b>	4,291,514

The notes on pages 12 to 22 form part of these financial statements.

# Balance Sheet

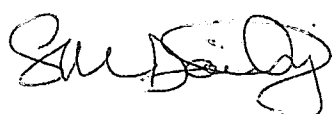
As at 31 March 2022

		31 March 2022	31 March 2021 (Restated*)
	Note	£	£
<b>Fixed assets</b>			
Investment property	5	3,126,006	2,997,006
Investments in joint ventures	6	6,039	6,039
		<u>3,132,045</u>	<u>3,003,045</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	19,126,152	7,178,344
Debtors: amounts falling due after more than one year	8	17,324,548	28,125,247
Cash at bank and in hand		3,257,395	2,625,936
		<u>39,708,095</u>	<u>37,929,527</u>
<b>Creditors: amounts falling due within one year</b>	9	(525,309)	(2,532,914)
<b>Net current assets</b>		<u>39,182,786</u>	<u>35,396,613</u>
<b>Total assets less current liabilities</b>		<u>42,314,831</u>	<u>38,399,658</u>
<b>Provision for liabilities</b>	10	(492,228)	-
<b>Provision for tax</b>	11	(118,713)	-
<b>Net assets</b>		<u>41,703,890</u>	<u>38,399,658</u>
<b>Capital and reserves</b>			
Called up share capital	12	1,000,000	1,000,000
Reserves:			
Capital contribution reserve	13	32,351,910	32,351,910
Profit and loss account	13	8,351,980	5,047,748
<b>Shareholders' funds</b>		<u>41,703,890</u>	<u>38,399,658</u>

\*See note 17 for details.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime under the Companies Act 2006.

The financial statements were approved by the board on 26 September 2022.



**Steven M Dainty**

Director, on behalf of the board (Co registration number 08069602)

The notes on pages 12 to 22 form part of these financial statements.

# Statement of Changes in Equity

For the year ended 31 March 2022

	Share capital £	Capital contribution reserve £	Profit and loss account £	<b>Total £</b>
At 1 April 2021	1,000,000	32,351,910	5,047,748	38,399,658
Profit for the year	-	-	3,604,096	3,604,096
Reserves Transfer	-	-	-	-
Gift Aid donation to parent	-	-	(299,864)	(299,864)
<b>At 31 March 2022</b>	<b>1,000,000</b>	<b>32,351,910</b>	<b>8,351,980</b>	<b>41,703,890</b>

	Share capital £	Capital contribution reserve £	Profit and loss account £	<b>Total £</b>
At 1 April 2020	1,000,000	36,936,527	803,113	38,739,640
Profit for the year	-	-	4,291,514	4,291,514
Reserves transfer	-	(4,584,617)	4,584,617	-
Gift Aid donation to parent	-	-	(4,631,496)	(4,631,496)
<b>At 31 March 2021</b>	<b>1,000,000</b>	<b>32,351,910</b>	<b>5,047,748</b>	<b>38,399,658</b>

Further details on each reserve can be seen in note 13.

The notes on pages 12 to 22 form part of these financial statements.

# **Notes to the Financial Statements**

**For the year ended 31 March 2022**

## **1. Accounting policies**

### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and comply with the Financial Reporting Standard applicable to the UK and Ireland (FRS 102) (effective March 2018); and the small companies regime under the Companies Act 2006. The company takes advantage of the provisions of Part 15, section 414B for an exemption from preparation of a strategic report; and section 400 for an exemption from preparing consolidated financial statements.

### **1.2 Significant judgements and key sources of estimation uncertainty**

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

The Company intends to adopt tax planning to ensure that investment properties, if sold, are done in a manner and order that would enable any tax asset to be utilised. Based on the properties on hand, judgement has been made as to extent the deferred tax asset would be utilised and therefore, the deferred tax asset has only been recognised to the extent that it is probable it would be applied to offset the deferred tax liability (or other qualifying future taxable profits) in line with FRS102 para.29.7.

### **1.3 Going concern**

The company has an annual planning process including financial projections. At the year end the company had Net Assets of £41.7m (2021 £38.4m) and Cash at Bank and in Hand of £3.3m (2021 £2.6m). In assessing the company's ability to operate as a going concern, the Directors have reviewed the planned cashflows of the company. The current cash flow forecast demonstrates that the company can operate well within its existing funding arrangements.

The company has commitments to support several Joint Venture Partnerships which are predominantly engaged in residential development. The primary risk to the company is therefore a substantial fall in the value of and demand for residential land and housing. The main consequence of this risk could include further funds needing to be advanced to partnerships in order to repay priority lenders as well as delay the repayment of partner loans and losses on eventual sale of stocks. However, all Joint Venture Partnership borrowing is on a strictly non-recourse basis to the partners which means that the company is not obliged to settle the debts of the ventures although it may choose to do so.

At the date of approval of these financial statements, the Directors have prepared cash flow forecasts to 31 March 2025 and performed an assessment which considers a period of at least 12 months from this date of approval. The current cash flow forecast demonstrates that the company can operate within its existing funding arrangements. Whilst there is significant headroom in the cash forecast for any changes to the outflows of cash to joint ventures, the company also has an available loan agreement with the Canal and River Trust which enables the company to borrow £10m on demand if required. The directors are therefore satisfied that the company accounts are prepared on a going concern basis.

## 1. Accounting policies (continued)

### 1.4 Cash flow

The Company, being a subsidiary undertaking where 90% or more of the voting rights are contained within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS102, section 7.

### 1.5 Turnover

Income is included in the Statement of comprehensive income when the Company is legally entitled to the income and the amounts can be quantified with reasonable accuracy. If these conditions are not met, then the income is deferred.

Wedding Hire income is recognised when conditions of entitlement to the income are met.

Investment income includes rental income from investment property leased out under an operating lease and is recognised in the statement of comprehensive income on a straight line basis over the term of the lease. Lease incentives granted are recognised as a reduction of rental income. The cost of the incentive is allocated over the lease term or a shorter period ending on a date from which it is expected the prevailing market rental will be payable. Incentives are provided to customers in various forms such as rent free periods or funding towards property fit out costs and are usually offered on signing a new contract. Where such incentives are provided the fair value of the incentive is deferred and recognised in line with this accounting policy.

Revenue in respect of the disposal of investment properties is generally recognised when title passes on completion of a sale or when substantially all the risks & rewards of ownership pass to the lessee under a finance lease.

Income received where the Company is a direct beneficiary of People's Postcode Lottery draws is recognised when the draw is held. The Company recognises the net amount due, which is the total of ticket sales less prize money and management fee. Only the net amount is included in the statement of comprehensive income as there is no ability to alter ticket prices, determine prizes or reduce the management fee. The gross amounts are disclosed in note 2.

### 1.6 Investments in joint ventures

Investments in joint ventures are held as fixed assets and are shown at cost less provision for impairment.

### 1.7 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 Statement of Comprehensive Income.

The company accounts for disposals of investment properties upon completion of sale or when the sale is unconditional.

## 1. Accounting policies (continued)

### 1.8 Reserves

The capital contribution reserve arises from the contribution of net assets from the parent, Canal & River Trust, via a statutory transfer, *The British Waterways Board (Transfer of Functions) Order 2012* which took place on 2 July 2012 and is described in the Directors' Report on page 5. This reserve is redeemed by the passing of cash or other assets back to the shareholder, i.e. the parent, Canal & River Trust.

In accordance with the Company's articles of association, Canal & River Trust are the asset-locked body specified as a potential recipient of the Company's assets. Gifts made to Canal & River Trust are made firstly from any profits of the period, secondly from any retained profits, thirdly from realised capital gains within the realised capital reserve and fourthly from the capital contribution reserve. The reserve balances are adjusted to reflect this ordering.

### 1.9 Financial Instruments

The Company is not deemed to have any non-basic financial instruments as defined by FRS 102, section 12.

### 1.10 Gift Aid

Gifts are paid or payable to the parent undertaking, Canal & River Trust, which is a UK charity, the charitable purpose of which is to care for England and Wales' 200 year old waterways. As a charitable entity, Canal & River Trust is exempt from corporate taxation. Canal & River Trading CIC has adopted a policy of paying all its taxable profits to the charity under gift aid. These gift aid payments are recognised as distributions through equity rather than as an expense through the statement of comprehensive income in Canal & River Trading CIC.

### 1.11 Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. The Company's deferred tax assets are only recognised to the extent that it is probable that it will be recovered against deferred tax liabilities or other qualifying future taxable profits. The net deferred tax position is disclosed within Provisions for Tax. The total available deferred tax asset at 31 March 2022 is £58.4k and £58.4k has been recognised. Without offset, the deferred tax liability as at 31 March 2021 is £177.1k.

## Canal & River Trading CIC

### 2. Turnover

	2021/22	2020/21
	£	£
Net proceeds from People's Postcode Lottery	-	4,590,450
Investment income	205,436	296,669
Standedge wedding income	94,470	-
	<b>299,906</b>	<b>4,887,119</b>

#### Net Proceeds from People's Postcode Lottery

As explained within note 1, accounting policies, in previous years the Company received the proceeds of lotteries held by People's Postcode Lottery ("PPL"). The Company had no ability to alter the price of tickets, determine the prizes or reduce the management fee. As such, PPL was treated as acting as the principal, and so only net proceeds due to the Company were recognised in the statement of comprehensive income. The net proceeds received are analysed as follows:

	2021/22	2020/21
	£	£
Ticket value	-	14,345,157
Prize fund	-	(5,723,148)
Management fee	-	(4,031,559)
<b>Net lottery income in the year</b>	<b>-</b>	<b>4,590,450</b>

### 3. Operating (loss) / profit

The operating profit is stated after charging:

	2021/22	2020/21
	£	£
Auditors' remuneration	6,000	5,700

During the year, no director received any emoluments (2020/21: £Nil).

There were no staff employed during the year (2020/21: None)

**4. Taxation**

	<b>2021/22</b>	<b>2020/21</b>
	<b>£</b>	<b>£</b>
<b>Current tax:</b>		
UK corporation tax credit on profit for the period	-	-
Prior year: Tax relief obtained on gift aid payment	-	-
Adjustments to tax charge in respect of prior periods	-	-
	<u>-</u>	<u>-</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	118,713	-
Total deferred tax	<u>118,713</u>	<u>-</u>
Tax on profit	<u>118,713</u>	<u>-</u>

**Factors affecting tax charge for the year**

The tax assessed for the period is less than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	<b>2021/22</b>	<b>2020/21</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<b>3,722,809</b>	4,291,514
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020/21: 19%)	<u><b>707,334</b></u>	<u>815,388</u>
<b>Effects of:</b>		
Fixed asset differences	(115,411)	(156,379)
Expenses not deductible for tax purposes	11,783	114,735
Income not taxable for tax purposes	(133,475)	(205,245)
Income not included in profit on ordinary activities	972,436	-
Chargeable gains/(losses)	-	314,624
Movement in deferred tax	118,713	-
Donation to parent made under gift aid scheme in equity	(1,442,667)	(883,123)
<b>Total current tax charge for the year</b>	<u><b>118,713</b></u>	<u>-</u>



## 5. Investment property

	Freehold investment property £	Long term leasehold investment property £	Total £
<b>Valuation</b>			
At 1 April 2021	1,838,000	1,159,006	2,997,006
Additions at cost	220,000	1,500	221,500
Disposals	(795,000)	-	(795,000)
Surplus on revaluation	327,000	375,500	702,500
<b>At 31 March 2022</b>	<b>1,590,000</b>	<b>1,536,006</b>	<b>3,126,006</b>

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 50% of the properties by value 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 'Professional Standards January 2014' incorporating the International Valuation Standards 2013, amended. Within these valuations, assumptions are made based on comparable yield values, taking account of where property is let, the current and reversionary rental income along with the lease terms; and where properties are vacant holding costs, market rents and lease incentives.

## Canal & River Trading CIC

### 6. Investments in joint ventures

**Investment  
in joint  
ventures**  
£

**Cost**

**At 1 April 2021 and 31 March 2022**

6,039

The following information relates to those joint venture undertakings of the Company at the year-end whose results or financial position, in the opinion of the Directors, principally affect the figures of the Company. All joint ventures of the Company are unlisted and are registered and operate in the United Kingdom.

<b>Name</b>	<b>Accounting period</b>	<b>Holding</b>	<b>Principal activity</b>
Waterside Places Limited Partnership	31/12/2021	50%	Property development
H2O Urban (No.2) LLP	31/12/2021	49%	Property development
Paddington Basin Business Barges Limited	31/12/2021	49%	Office management

Whilst Canal and River Trading CIC retains a 49% shareholding or initial partnership capital in some joint ventures, the voting rights and profit share is 50:50.

### 7. Debtors: amounts falling due within one year

	<b>31 March 2022</b>	<b>31 March 2021 (Restated*)</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>46,002</b>	33,768
Amounts owed by group undertakings	<b>18,683,617</b>	7,000,221
Other debtors	<b>396,533</b>	144,355
	<b>19,126,152</b>	7,178,344

\*See note 17 for details.

## Canal & River Trading CIC

### 8. Debtors: amounts falling due after more than one year

	31 March 2022	31 March 2021
	£	£
Other Debtors > 1 year	4,825,427	4,172,717
Amounts owed by joint venture undertakings in which the Company has a participating interest	12,499,121	23,952,530
	<u>17,324,548</u>	<u>28,125,247</u>

Amounts owed by joint venture undertakings in which the Company has a participating interest are partner loans which are unsecured, have no fixed repayment term and carry no coupon.

### 9. Creditors: amounts falling due within one year

	31 March 2022	31 March 2021
	£	£
Trade creditors	430,326	5,785
Amounts due to group undertakings	54,299	2,464,422
Other creditors	40,684	62,707
	<u>525,309</u>	<u>2,532,914</u>

### 10. Provision for liabilities

	Demolition costs	Total
	£	£
At 1 April 2021	-	-
Charged	871,675	871,675
Paid	(379,447)	(379,447)
<b>At 31 March 2022</b>	<u><b>492,228</b></u>	<u><b>492,228</b></u>

The company has an obligation, at its own cost, to level buildings on land disposed of in line with the terms of the sale agreement. The works are expected to take place in full in the next 12 months.

## Canal & River Trading CIC

### 11. Provision for tax

	<b>Deferred taxation £</b>
At 1 April 2021	-
Origination and reversal of timing differences:	
Deferred tax asset	58,440
Deferred tax liability	(177,153)
At 31 March 2022	<u>(118,713)</u>

### 12. Called up share capital

	<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>£</b>	<b>£</b>
<b>Authorised, allotted, called up and fully paid</b>		
1,000,000 Ordinary Shares of £1 each	<b>1,000,000</b>	1,000,000

### 13. Reserves

The capital contribution reserve arises from the contribution of net assets from the parent, Canal & River Trust, via a statutory transfer, *The British Waterways Board (Transfer of Functions) Order 2012* which took place on 2 July 2012 and is described in the Directors' Report on page 5. This reserve is redeemed by the passing of cash or other assets back to the shareholder, i.e. the parent, Canal & River Trust.

In accordance with the Company's articles of association, Canal & River Trust are the asset-locked body specified as a potential recipient of the Company's assets. Gifts made to Canal & River Trust are made firstly from any profits of the period, secondly from any retained profits, thirdly from realised capital gains within the realised capital reserve and fourthly from the capital contribution reserve. The reserve balances are adjusted to reflect this ordering.

Funds related to the unrealised element of the reversal of impairment of amounts owed by Joint Ventures recognised in the Capital contribution reserve in previous years have been transferred to the Profit and loss reserve in the year. Both the Capital contribution reserve and the Profit and loss reserve are distributable reserves. The transfer is made to provide clearer reporting.

## Canal & River Trading CIC

### 14. Capital commitments

At 31 March 2022, the Company had no capital commitments (31 March 2021: £Nil).

### 15. Operating lease agreements where the Group is lessor

The total of future minimum rentals receivable under non-cancellable rental agreement are as follows:

	31 March 2022	31 March 2021
	£	£
Within one year	6,216	57,445
Within two to five years	-	1,408
In more than five years	-	-
	<hr/>	<hr/>
	6,216	58,853
	<hr/>	<hr/>

### 16. Controlling party

The Company is a wholly owned subsidiary undertaking of Canal & River Trust, by virtue of its shareholding, which is the controlling party incorporated in the United Kingdom.

The Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

The largest and smallest group of undertakings for which the group accounts have been drawn up is headed by Canal & River Trust.

Copies of the consolidated financial statements for Canal & River Trust are available from National Waterways Museum Ellesmere Port, South Pier Road, Ellesmere Port, Cheshire, England, CH65 4FW.

## 17. Prior year restatement

The 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 reported cash at bank and in hand was overstated by £7,000,221 and Debtors: amounts falling due within one year – Amounts owed by group undertakings was understated by £7,000,221. The effect on the previously reported balances for the prior year is outlined below.

	31 March 2021 Reported	31 March 2021 Restatement	31 March 2021 Restated
	£	£	£
<b>Fixed assets</b>			
Investment property	2,997,006	-	2,997,006
Investments in joint ventures	6,039	-	6,039
	<u>3,003,045</u>	<u>-</u>	<u>3,003,045</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	178,123	7,000,221	7,178,344
Debtors: amounts falling due after more than one year	28,125,247	-	28,125,247
Cash at bank and in hand	9,626,157	(7,000,221)	2,625,936
	<u>37,929,527</u>	<u>-</u>	<u>37,929,527</u>
<b>Creditors: amounts falling due within one year</b>	<u>(2,532,914)</u>	<u>-</u>	<u>(2,532,914)</u>
<b>Net current assets</b>	<u>35,396,613</u>	<u>-</u>	<u>35,396,613</u>
<b>Total assets less current liabilities</b>	<u>38,399,658</u>	<u>-</u>	<u>38,399,658</u>
<b>Provision for liabilities</b>	-	-	-
<b>Provision for tax</b>	-	-	-
<b>Net assets</b>	<u>38,399,658</u>	<u>-</u>	<u>38,399,658</u>
<b>Capital and reserves</b>			
Called up share capital	1,000,000	-	1,000,000
Reserves:			
Capital contribution reserve	32,351,910	-	32,351,910
Profit and loss account	5,047,748	-	5,047,748
<b>Shareholders' funds</b>	<u>38,399,658</u>	<u>-</u>	<u>38,399,658</u>