

Company Registration No. 05545459 (England and Wales)

Essex Waterways Limited

**Annual report and financial statements
for the year ended 31 December 2014**

Essex Waterways Limited

Company information

Directors

Roy Chandler
Neil Edwards
James Jenkins
Colin Edmond
John Pomfret
David Carrington
Peter Martin

Secretary

Neil Edwards

Company number

05545459

Registered office

Island House
Moor Road
Chesham
HP5 1WA

Independent auditors

Saffery Champness
Fox House
26 Temple End
High Wycombe
Buckinghamshire
HP13 5DR

Essex Waterways Limited

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Essex Waterways Limited

Directors' report

For the year ended 31 December 2014

The directors present their report and financial statements for the year ended 31 December 2014.

Principal activities

The principal activities of the company during the year were that of managing and operating the Chelmer and Blackwater Navigation, and promoting the cause of the ultimate parent company, The Inland Waterways Association.

Review of the business

The ninth full year of trading by Essex Waterways Ltd maintained good income levels from mooring and other fees. The Company has made further improvements to the infrastructure of the Navigation during 2014, although a number of planned projects have yet to come to fruition. A consequence of being unable to complete all the capital works intended, the Company made a surplus in 2014, of which £9,500 has been donated to the Company's parent charity in a restricted fund and which will be spent on future capital works to improve the Navigation for public benefit, likely in 2015-6. The Navigation continues to be well used by a broad cross section of local people for a wide range of amenity and recreational uses, as well as by visitors from further afield, and continues to receive much favourable comment and support.

Acknowledgements

The directors wish to express their thanks and gratitude to the many supporters of the Navigation, and volunteers whose hard work and acts of kindness have contributed to the well being of the waterway and its surrounding community. Especial thanks go to the regular weekly volunteers, Chelmer Canal Trust and to Waterway Recovery Group. The directors wish to acknowledge the following donations and contributions:

Essex and Suffolk Water	£29,028	General Maintenance
Essex County Council	£2,818	Towpath Maintenance
Chelmsford City Council	£2,500	Towpath Improvements
Taylor Wimpey	£32,777	Quay Improvements
Others	£4,543	

Future Developments

Plans for 2015 include the continuation of the principal activities. The directors have full confidence in the on-going long-term viability of the company and hope to achieve continued improvements to the Chelmer & Blackwater Navigation and its environs.

Directors

The following directors have held office since 1 January 2014:

Roy Chandler
Neil Edwards
James Jenkins
Colin Edmond
John Pomfret
David Carrington
Peter Martin

**Directors' report (continued)
For the year ended 31 December 2014**

Auditors

Saffery Champness have expressed their willingness to remain in office as auditors of the company.

Statement of directors' responsibilities

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 law). 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 of the company and of the 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 judgements and accounting estimates that are reasonable and prudent;
- 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board

.....
Roy Chandler
Director
.....

Essex Waterways Limited

Independent auditors' report To the members of Essex Waterways Limited

We have audited the financial statements of Essex Waterways Limited for the year ended 31 December 2014 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on 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 December 2014 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Essex Waterways Limited

Independent auditors' report (continued)
To the members of Essex Waterways Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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' exemption from preparing a strategic report or in preparing the directors' report.

Karen Bartlett (Senior Statutory Auditor)
for and on behalf of Saffery Champness

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Chartered Accountants
Statutory Auditors

Fox House
26 Temple End
High Wycombe
Buckinghamshire
HP13 5DR

Essex Waterways Limited

Profit and loss account For the year ended 31 December 2014

	Notes	2014 £	2013 £
Turnover		471,014	517,455
Cost of sales		(109,951)	(225,301)
Gross profit		361,063	292,154
Operating costs		(317,038)	(274,824)
Administrative expenses		(17,119)	(8,836)
Operating profit	3	26,906	8,494
Interest receivable	4	21	-
Interest payable and similar charges		(3,014)	(1,186)
Profit on ordinary activities before donation		23,913	7,308
Donation to The Inland Waterways Association	5	(9,500)	(7,000)
Profit on ordinary activities before taxation		14,413	308
Tax on profit on ordinary activities		-	-
Profit for the year	12	14,413	308

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

The notes on pages 7 to 12 form part of these financial statements.

Essex Waterways Limited

**Balance sheet
As at 31 December 2014**

	Notes	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	6		113,472		35,103
Current assets					
Debtors	8	8,440		18,282	
Cash at bank and in hand		40,119		39,044	
				<u>48,559</u>	<u>57,326</u>
Creditors: amounts falling due within one year	9	(52,322)		(61,590)	
Net current liabilities			(3,763)		(4,264)
Total assets less current liabilities			<u>109,709</u>		<u>30,839</u>
Creditors: amounts falling due after more than one year	10		(86,797)		(22,340)
			<u>22,912</u>		<u>8,499</u>
Capital and reserves					
Called up share capital	11		1		1
Profit and loss account	12		22,911		8,498
Shareholders' funds	13		<u>22,912</u>		<u>8,499</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The notes on pages 7 to 12 form part of these financial statements.

Approved by the Board and authorised for issue on

.....
Roy Chandler
Director

.....
Neil Edwards
Director

Company Registration No. 05545459

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Going Concern

The company relies on the continued support of the parent organisation. The Inland Waterways Association has confirmed its continued support and therefore the directors have prepared the financial statements on a going concern basis.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

1.4 Tangible fixed assets and depreciation

Fixed assets are stated at historical cost less depreciation. Tangible fixed assets costing more than £1,000 are capitalised.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful lives on a straight line basis as follows:-

Land and buildings leasehold	10 years
Plant and machinery	1 - 10 years
Motor vehicles	4 years

Essex Waterways Limited

Notes to the financial statements (continued) For the year ended 31 December 2014

2 Employees

	2014	2013
	£	£
Staff Costs		
Wages and salaries	165,534	156,278
Social security costs	11,589	10,830
Pension costs	9,544	9,122
	<u>186,667</u>	<u>176,230</u>

	2014	2013
	No	No
The average number of employees, calculated on a full-time equivalent basis analysed by function was:		

Management and administration	2	2
Repairs and maintenance	5	5
Lockkeeper Duties	1	1
	<u>8</u>	<u>8</u>

3 Operating profit

	2014	2013
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	23,429	12,363
Auditors' remuneration	5,130	5,050
Directors' emoluments	-	-
	<u>28,559</u>	<u>27,463</u>

4 Investment income

	2014	2013
	£	£
Interest on bank deposits	21	-
	<u>21</u>	<u>-</u>

Essex Waterways Limited

Notes to the financial statements (continued) For the year ended 31 December 2014

5 Gift Aided Profits	2014 £	2013 £
Donation to The Inland Waterways Association	9,500	7,000

The donation to The Inland Waterways Association is made to a restricted fund for future expenditure by The Inland Waterways Association in achieving its charitable objectives on the Chelmer and Blackwater Navigation.

6 Tangible fixed assets

	Leasehold land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 January 2014	6,500	63,275	69,775
Additions	2,130	99,668	101,798
	<hr/>	<hr/>	<hr/>
At 31 December 2014	8,630	162,943	171,573
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 January 2014	2,595	32,077	34,672
Charge for the year	1,275	22,154	23,429
	<hr/>	<hr/>	<hr/>
At 31 December 2014	3,870	54,231	58,101
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2014	4,760	108,712	113,472
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2013	3,905	31,198	35,103
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Essex Waterways Limited

Notes to the financial statements (continued) For the year ended 31 December 2014

7 Fixed asset investments

Shares in the Chelmer and Blackwater Navigation Company Limited

	£
Cost	
At 1 January 2014 & at 31 December 2014	900
	<hr/>
Provisions for diminution in value	
At 1 January 2014 & at 31 December 2014	900
	<hr/>
Net book value	
At 31 December 2014	-
	<hr/> <hr/>
At 31 December 2013	-
	<hr/> <hr/>

8 Debtors	2014	2013
	£	£
Trade debtors	1,760	2,846
Prepayments and accrued income	2,837	3,618
Amounts owed by parent company	607	9,820
Other debtors	3,236	1,998
	<hr/>	<hr/>
	8,440	18,282
	<hr/> <hr/>	<hr/> <hr/>

9 Creditors: amounts falling due within one year	2014	2013
	£	£
Trade creditors	3,817	3,249
Amounts due to parent company	23,432	12,764
Other taxes and social security costs	3,242	3,233
Accruals and deferred income	8,534	27,604
Other creditors	13,297	14,740
	<hr/>	<hr/>
	52,322	61,590
	<hr/> <hr/>	<hr/> <hr/>

Essex Waterways Limited

Notes to the financial statements (continued) For the year ended 31 December 2014

10 Creditors: amounts falling due after more than one year	2014	2013
	£	£
Loan from parent company	86,797	22,340
	<u>86,797</u>	<u>22,340</u>
Loan maturity analysis		
In more than one year but not more than two years	20,822	7,668
In more than two years but not more than five years	45,800	11,472
In more than five years	20,175	3,200
	<u>20,175</u>	<u>3,200</u>

An interest bearing loan was provided to the company by its parent, The Inland Waterways Association. The loan is repayable by annual instalments and will be fully repaid by 2024.

The loan is secured on the company's assets via a fixed and floating charge.

11 Share capital	2014	2013
	£	£
Allotted, called up and fully paid		
1 Ordinary share of £1	1	1
	<u>1</u>	<u>1</u>

12 Statement of movements on profit and loss account	Profit and loss account £
Balance at 1 January 2014	8,498
Profit for the year	14,413
	<u>14,413</u>
Balance at 31 December 2014	22,911
	<u>22,911</u>

Notes to the financial statements (continued)
For the year ended 31 December 2014

13 Reconciliation of movements in shareholders' funds	2014	2013
	£	£
Profit for the financial year	14,413	308
Opening shareholders' funds	8,499	8,191
	<hr/>	<hr/>
Closing shareholders' funds	<u>22,912</u>	<u>8,499</u>

14 Control

The ultimate parent company is The Inland Waterways Association, a company limited by guarantee and incorporated in England and Wales.

15 Related party relationships and transactions

The company has taken advantage of the exemption available in accordance with FRS 8 'Related party disclosures' not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions.

During the year the company purchased goods (net of VAT) totalling £20,770 (2013: £12,921) from Chandler Material Supplies Limited, a company controlled by family members related to Roy Chandler, a director of Essex Waterways Limited. The balance due to Chandler Material Supplies Limited as at 31 December 2014 was £539 (2013: £1,613). The company also purchased goods (net of VAT) totalling £231 (2013: £281) from Elmdale Welding and Engineering Supplies Limited, a company controlled by family members related to Roy Chandler, a director of Essex Waterways Limited. The balance due to Elmdale Welding and Engineering Supplies Limited as at 31 December 2014 was £nil (2013: £nil). All transactions were undertaken on a commercial arms length basis.

Essex Waterways Limited

Detailed trading and profit and loss account For the year ended 31 December 2014

	2014	2013
	£	£
Turnover		
Mooring Related Income		
Mooring fees	340,289	329,660
Plot income	3,738	3,635
Electricity income	5,384	6,049
Canoe income	10,398	9,310
Angling Club income	10,569	10,282
Other income	20,472	20,873
Grant Related Income		
Essex County Council grass cutting	2,818	5,636
Chelmsford Conservation Grant	2,500	2,500
Grant from IWA restricted fund	-	90,000
Essex and Suffolk Water	29,028	28,265
Donations	4,543	911
Indigo Wharf Wall project	32,777	670
Other Income		
Sale of willows	7,020	8,910
Lease income	1,061	754
Sale of plant and equipment	417	-
	<hr/>	<hr/>
	471,014	517,455

This page does not form part of the financial statements on which the auditors have reported.

Essex Waterways Limited

Detailed trading and profit and loss account (continued) For the year ended 31 December 2014

	2014	2013
	£	£
Cost of sales		
Mooring Related		
Planting willow sets	3,510	-
Grass cutting	-	1,100
Helmsman course expenditure	453	1,500
Service improvements	-	214
Jetty improvements	6,548	6,340
WRG work party costs	1,221	6,132
Canoe licence commission	1,061	-
General Lengthsmens duties	7,257	14,555
Little Baddow Mill project	-	2,087
Sewage costs	6,126	5,012
Radio licensing costs	75	75
Utilities - improvements	-	-
Scrapage cost for boats	1,467	-
Boatyard operating costs	35	1,026
Grant Related		
Heybridge Basin North Quay	-	137
Facilities Block refurbishment	-	1,724
Safety board fitting - lock gates	11,389	-
Toilet improvement Paper Mill	6,770	6,916
Utilities - improvements	20,241	4,240
Lock Landings project	-	1,306
Indigo Wharf Wall project	32,104	670
Sandford towpath	-	2,623
Paper Mill towpath piling	-	133,716
Ricketts Lock project	-	730
Cuton Lock repairs	-	138
Hoe Mill repairs	1,504	1,204
Barnes Lock	-	22,608
Hoe Mill Lock landing stage	6,568	1,935
Paper Mill car park	3,622	9,313
	<u>109,951</u>	<u>225,301</u>
Gross profit	361,063	292,154

This page does not form part of the financial statements on which the auditors have reported.

Essex Waterways Limited

Detailed trading and profit and loss account (continued) For the year ended 31 December 2014

	£	2014 £	£	2013 £
Operating Costs				
Credit Card costs	572		620	
Insurance	9,537		8,910	
Officers expenses	999		586	
Rates	7,431		7,330	
Utilities	17,921		15,313	
Repairs to machinery	2,630		3,431	
Lock House repairs	9,448		778	
Purchase of tools and safety equipment	6,538		4,225	
Fuel and transport costs	6,835		8,013	
Vehicle and plant costs	4,805		3,703	
Staff salaries	186,667		176,230	
Staff training	970		1,078	
Repairs to buildings	12,782		1,744	
Printing, postage and stationery	1,879		1,658	
Telephone	2,065		2,164	
IWA staff costs recharged	19,111		19,559	
Computer software and support costs	20		6	
Staff expenses	286		413	
Volunteer expenses	96		338	
Pest control	50		31	
Subscriptions paid	977		943	
Plant and equipment depreciation	23,429		11,488	
Shed depreciation	-		375	
Springfield Basin office depreciation	-		500	
Crane repairs and maintenance	1,537		3,807	
Work boat costs	453		1,581	
	<hr/>		<hr/>	
		317,038		274,824

This page does not form part of the financial statements on which the auditors have reported.

Essex Waterways Limited

Detailed trading and profit and loss account (continued) For the year ended 31 December 2014

		2014	2013
	£	£	£
Administrative expenses			
Audit and accountancy	5,130	5,050	
Legal and professional	9,646	1,385	
General expenses	674	365	
Provision for bad debts	519	936	
Chelmer and Blackwater Navigation Company fees	1,150	1,100	
		<u>17,119</u>	<u>8,836</u>
Operating Profit		26,906	8,494
Other interest receivable and similar income			
Bank interest received		21	-
Interest payable			
Interest payable on inter-company loan		(3,014)	(1,186)
Net Profit for the year		23,913	7,308
Donations to The Inland Waterways Association Restricted Fund		9,500	7,000
		<u>14,413</u>	<u>308</u>

This page does not form part of the financial statements on which the auditors have reported.