



(A company limited by guarantee)

**Annual Report
and
Financial Statements
Year ended 31st December 2010**

Company Number 612245

Registered Charity Number 212342

Registered Office: Island House, Moor Road, Chesham,
Buckinghamshire, HP5 1WA

www.waterways.org.uk

Campaigning for the Conservation, Use, Maintenance, Restoration and
Development of the Inland Waterways

The Inland Waterways Association

Report of the trustees for the year ended 31st December 2010

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31st December 2010.

Reference and Administrative Details

Charity Number: 212342

Company Number: 612245

Principal Office: Island House, Moor Road, Chesham, Buckinghamshire, HP5 1WA

Auditors: Saffery Champness, Fox House, 26 Temple End, High Wycombe, Bucks HP13 5DR

Bankers: Barclays Bank PLC, 8 Market Place, Kettering, NN16 0AX

Solicitors: Shakespeare Putman LLP, Somerset House, Temple Street, Birmingham, B2 5DJ

Investment Advisers: Adam and Co Investment Management Limited, 22 King Street, London, SW1Y 6QY

Directors and Trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

The trustees serving during the year and since the year-end were as follows:

Directly Elected Trustees

Douglas Beard

Raymond Carter

Ivor Caplan (From October 2010)

Leslie Etheridge

Clive Henderson

Alasdair Lawrance (From October 2010)

Jeremy Sanders (From October 2010)

James Shead (From October 2010)

Paul Strudwick (Until October 2010)

Ian West (Re-elected in October 2010)

Region Chairmen

Alastair Chambers (Eastern Region)

James Kennerley (London Region from March 2010 to December 2010)

Alan Platt (North West Region)

John Pomfret (East Midlands Region - re-elected in October 2010)

Paul Roper (South East Region)

Peter Scott (North East Region - re-elected in October 2010)

Vaughan Welch (West Midlands Region)

Christopher Birks (South West Region - from July 2010)

Trustee Remuneration and Insurance

No trustee received any remuneration in respect of services to the Association, other than reimbursement of expenses incurred in providing such services. A premium in respect trustee indemnity insurance for members of Council of £1,340 including Insurance Premium Tax was paid during the year (2009 = £1,276).

Statement as to Disclosure of Information to Auditors

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware.

Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Principal Appointed Officers

National Chairman: Clive Henderson
Deputy National Chairmen: Leslie Etheridge, Vaughan Welch and John Pomfret
National Treasurer: Leslie Etheridge

Day to day management of the charity is delegated to the following senior employees:

Chief Executive: Neil Edwards
Finance Manager and Company Secretary: Helen Elliott-Adams
Campaign & Communications Manager: Jo Gilbertson
Operations & Information Systems Manager: David Forrester

More detailed information concerning committees of the Board of Trustees, subsidiary company officers and committees and attendance of trustees at meetings of the Board of Trustees can be found on our website.

Structure Governance and Management

Governing Documents

The Inland Waterways Association is a company limited by guarantee governed by its Memorandum and Articles of Association dated 2nd October 1958. The Memorandum was most recently amended to allow for current governance arrangements on 25th September 1999 and the Articles of Association were amended at the Association's Annual General Meeting held on 27th September 2008. It is registered as a charity with the Charity Commission. Membership of the Association is open to all and, as at 31st December 2010, the number of members of the Association was 17,216 (2009 = 17,504). Each member agrees to contribute £1 in the event of the charity winding up.

Appointment of Trustees

Nine trustees are elected through a postal ballot of the whole membership for terms of three years whenever a vacancy arises. Under the Articles of Association, region chairmen and the national treasurer are ex-officio trustees. There are eight regions. Region chairmen are elected by a postal ballot of members in each respective region for terms of three years unless elected to fill the balance of a term when a vacancy arises during a term of office. All trustees are members of the Association. No trustee appointments are made by outside bodies.

Trustee Induction and Training

New trustees are provided with informal guidance from existing trustees and a list of documents for recommended study is provided from the Association's Head Office. An induction day, aimed at new trustees, but open to all, was held and well attended during the year.

Organisation

The Board of Trustees consists of the chairmen of the Association's eight regions and up to a maximum of a further nine elected trustees, the number of elected trustees (including any vacancies) always exceeding the number of region chairmen (excluding any region chairmen who are also elected). The Board of Trustees met formally for five meetings, and held two informal gatherings to discuss strategy during 2010. Trustees usually meet once every two months.

There are five principal committees of the Board of Trustees:

- Finance Committee
- Navigation Committee

- Restoration Committee
- Waterway Recovery Group
- Promotions & Communications Committee

Each of these committees usually meets five to six times per annum.

A chief executive is appointed by the trustees to manage the day-to-day operations of the charity and its subsidiary companies. To facilitate effective operations, the chief executive has the delegated authority, within the terms of delegation approved by the trustees, for operational matters including finance and employment.

Related Parties

The Inland Waterways Association also has two trading subsidiary companies:

- Essex Waterways Limited
- Inland Waterways Enterprises Limited

The boards of directors of the two trading companies meet every two to three months. Essex Waterways Limited began trading in November 2005 with a contract to take over the management of the Chelmer & Blackwater Navigation in Essex following financial difficulties experienced by the owners of the Navigation. The company enjoys the support of Chelmsford Borough Council, Essex County Council, Essex & Suffolk Water and Maldon District Council. The board of Essex Waterways Limited is appointed by trustees.

Inland Waterways Enterprises Limited began trading in January 2002. The principal activities of the company during the past year were that of (a) organising waterway festivals, boat rallies and similar events, (b) the selling and distribution of books, DVDs, waterway related gifts, Christmas cards and other products and services, and promoting the cause of the charity. The board of Inland Waterways Enterprises Limited, which is appointed by trustees, has one committee, IWA Festivals, which meets every two to three months.

The charity and its subsidiary companies have no contractual arrangements with any other party that materially affects the management of the Association or those companies. It is the Association's policy to work closely with all other inland waterway interests, including navigation authorities, local and national government and its agencies, private and public landowners, commercial boating and other waterside businesses, voluntary organisations and others to promote the conservation, use, maintenance, restoration and appropriate development of the inland waterways.

IWA is a member of the following organisations:

- Boating Alliance
- European Boating Association
- Heritage Link
- Inland Waterways International
- National Inland Navigation Forum
- Parliamentary Waterways Group
- Royal Society for the Prevention of Accidents
- Sport and Recreation Alliance
- Tees River Users Trust

The Inland Waterways Association appoints nominee trustees to a number of inland waterway related charities, and representatives to attend the governing meetings of a number of other organisations and bodies. These appointments are individually approved by Navigation Committee or Restoration Committee on behalf of the trustees for fixed periods, subject to renewal.

Risk Management

During 2010, the Association's trustees have maintained reviews that try to identify all of the major risks that could have a serious impact on the Association's activity. Trustees continue to assess the likelihood and severity of each risk identified and to formulate detailed policies to ensure that each risk is regularly considered and that preventative measures or plans to deal with such risks are put in place where possible. The trustees are of the opinion that they have taken all reasonable steps to mitigate risks so far identified as far as they reasonably can.

Objectives and Activities

Objects of the Charity

The principal objectives of the charity, which are set out in full in its Memorandum of Association, are:

- To advocate the conservation, use, maintenance and development of the inland waterways of the British Isles, the works relating to them, and any craft or buildings or structures now or previously associated with them,
- To advocate and promote the restoration and the maintenance in good condition of the inland waterways and associated craft, buildings and structures,
- To advocate and promote the fullest use of the inland waterways for appropriate commercial and recreational purposes,
- To educate the public and other bodies about the use and benefits of the inland waterways, and
- To promote and commission research into inland waterways and the publication of the results of such research.

All the Association's objectives are intended for the public benefit. The Association is not exclusive to any particular section of waterway users or other group of people. Membership is open to all who support the Association's objectives.

The Charity's Aims and the Differences it seeks

The Inland Waterways Association aims to:

- Ensure that the existing navigable inland waterways are kept in the most favourable conditions consistent with encouraging widespread public benefit and commercial use (especially the carriage of freight and waterway holidays).
- Encourage the full restoration of currently derelict, abandoned and unusable waterways, and the construction of new waterways, to provide further opportunities for public benefit and commercial use.
- Publish material through printed, electronic and other appropriate means to further public education on all matters concerning the inland waterways.

The Association aims, through its activities, to influence public opinion and that of key decision makers in navigation authorities, as well as in national, regional and local government and other public agencies, and to further generate appreciation of the waterways, goodwill and support from all sectors of society and from the widest range of organisations, corporate bodies and private individuals.

The Charity's Strategies

During 2010, the Association continued to advocate the conservation, use, maintenance, restoration and development of the inland waterways and to promote their fullest use for appropriate commercial and recreational purposes; to educate the public and other bodies about their use and benefits, and to promote research into inland waterways. This was carried out by the members on a voluntary basis

supported by the Head Office staff and financed by a variety of fund-raising events and activities, donations and members' subscriptions.

Public Benefit

In 2010 the Association continued its political and public campaigning to maintain and improve awareness for the need for adequate funding for the navigation authorities. It successfully lobbied and orchestrated a public campaign of support against the removal of British Waterways' property portfolio by government, which the Association believed would have caused significant damage to the sustainability of the national waterways network through a further lack of funds. The Association was also heavily involved in the successful lobbying for the progression of proposals for a National waterways charity to run the waterways, and eventually in the development of the Government's proposals for a New Waterways Charity to incorporate the British Waterways' managed waterways. This included securing government commitment to incorporating the Environment Agency's navigations into the New Waterways Charity subject to a review of the new charity's performance and funding availability in 2014, going part way to securing a long held goal of the Association, to create a National Waterways Conservancy.

IWA attended shows and hosted national and local events to promote the benefits of the waterways to the general public, and published magazines and leaflets to support this activity. IWA actively supports waterway restoration, and through its waterways restoration volunteering organisation, Waterway Recovery Group (www.wrg.org.uk), organised and subsidised 23 week-long waterway restoration working holidays for volunteers of all ages throughout England and Wales during the year, as well as conducting multiple work parties around the two countries on most weekends. This work particularly enables people to participate in the preservation and restoration of our heritage, and in doing so learn construction and heritage skills.

The Association spent time lobbying against increases in costs well above the level of inflation for waterway users, most notably boaters. The Association was also significantly involved in pressing navigation authorities over key matters including facilities, dredging, moorings, licence and overstaying enforcement, maintenance and rights of navigation.

IWA currently manages the Chelmer & Blackwater Navigation for the public benefit, through its subsidiary Essex Waterways Ltd, (www.essexwaterways.com) having stepped in to prevent its closure in 2005.

A review of 2010 is available at:

www.waterways.org.uk/information/governing_documents/annual_report_and_accounts

Awards

At the Association's Annual General Meeting on 25th September, The Cyril Styring Trophy, the Association's most prestigious award, was presented to Tony Harrison in recognition of his work as an Honorary Consultant Engineer to the Association, as chairman of Restoration Committee, his 15-year term as a trustee and long membership of Finance Committee and the Investment Working Group.

The John Heap Salver, for fund-raising work, was presented to Clive and Jill Field for their enterprising support for the Cotswold Canals restoration over many years, including organising the Saul Junction Festival.

The Christopher Power Prize for restoration work was awarded to both Colin Turner of IWA's Ipswich Branch and the River Gipping Trust, and to Terry O' Brien on behalf of the Shropshire Union Canal Society.

The 2010 branch achievement award was made to IWA's Northampton Branch in particular recognition for the branch's many successful rallies on the Nene, an excellent and well-attended series of public meetings, a first-class newsletter and good presence on the Association's web site. The award was presented to Liz Payne, a former chairman of Northampton Branch.

Richard Bird medals were presented to Denis and Janet Farmer (Shrewsbury District and North Wales Branch), Roy and Lois Parker (Warwickshire Branch) and Ruth Symonds (North Lancs & Cumbria Branch), who were all present to receive their awards. Richard Bird Medals were also awarded in absentia to Graham Whorton (Birmingham Black Country & Worcestershire Branch), John Ashley (Middlesex Branch) and Michael Essex-Lopresti (North and East London Branch).

Grant Making Policies

Whilst not being a substantial part of the Association's activities, the Association provides a small number of grants each year consistent with its objectives, namely, for education, training, waterway development, research and restoration of inland waterways, but does not normally give grants for operating and maintaining operational waterways. Retrospective grants are not normally made. Each application is judged on its merits, there being no preconceived preferences or priorities, with the views of all relevant parts of the Association taken into account. A copy of IWA's full grant making policy is available at www.waterways.org.uk or on request to the Association's Head Office.

Volunteers

Much of the Association's work, and that achieved through its subsidiary companies, would not be possible without the many hundreds of volunteers who keenly devote many thousands of hours and days work to the Association's cause. Activities range from committee work to organising festivals and major events, physical restoration work on derelict canals and fund-raising activities.

The Association wishes to record its grateful thanks for the unfailing support of waterway groups, corporate members and other bodies as well as members and other individuals who have substantially supported the work of the Association and its subsidiary companies with over 5,000 days worth of organisational, management and governance time, and a further 5,000 days toward restoration direct labour during 2010.

Achievements and Performance

Charitable Activities and Performance against Objectives

The trustees set the following objectives for 2010 which have been largely met.

- (a) To maintain the Association's exemplary Health & Safety record by ensuring that the safety of all employees, volunteers and other supporters is given the highest priority.
- (b) To continue IWA's existing activities to campaign for the conservation, restoration and appropriate use and development of the inland waterways, actively encouraging and inspiring the widest possible audience to support the Association's objectives, and maintaining the current enthusiasm for waterways issues amongst parliamentarians, in particular with a substantial number of likely retirements of previously supportive MPs at the General Election.
- (c) To improve the Association's communications with members and other supporters, particularly through the launch of a new web site, and to further develop electronic communications through revised web site and server arrangements, so as to be able to better deliver the Association's campaigning message, and news of the Association's activities, to a wider audience in a timelier manner.
- (d) To encourage and facilitate greater engagement in the Association's activities through an increasing number of active members and supporters, through (a) giving greater focus and guidance on activities at branch level, (b) encouraging campaign and fund-raising events, and (c) maintaining the high level of public interest and new volunteers drawn to Waterway Recovery Group.
- (e) To improve the Association's long-term financial position by (a) further addressing new income-generating opportunities, notwithstanding the continuing difficult economic situation, (b) better promoting membership recruitment, (c) ensuring the financial viability of activities

and events where campaigning objectives are not the main remit, and (d) better controlling costs in all areas.

- (f) To continue the orderly and responsible management of the Chelmer & Blackwater Navigation by Essex Waterways Limited, and bring further improvements to the waterway for the widest community benefit.
- (g) To continue to manage risk in a diligent manner and to comply with charitable law and other appropriate and relevant regulation.
- (h) To make progress towards the Association's long-stated aim of a National Conservancy for the inland waterways.

Fundraising Activities

Most of the Association's income during 2010 was derived from membership subscriptions, legacies, donations and related funds such as Gift Aid. There was a modest surplus arising as a result of trading activities undertaken by Inland Waterways Enterprises Limited of £18,801. Of this, a surplus was retained in the trading company of £12,609, and the rest gifted to the Association. IWA launched an appeal to raise £125,000 for the restoration of Inglesham Lock in June 2010; to date, over £40,000 has been raised. Grants were attracted through Essex Waterways Limited and IWA's Chelmsford Branch for work on the Chelmer & Blackwater Navigation. There were no other material fundraising activities of any significance during the year, but relatively modest regular incomes were achieved by branches and regions.

Investment Performance

The Association's investments after allowing for realisations showed a net gain of £140,776 during the year, from a portfolio worth £1,282,928 at 31st December 2009 and £1,222,091 at 31st December 2010. Investments other than cash deposits are managed on a discretionary basis by Adams & Company Investment Management Limited. A full list of these investments held is provided to members of Finance Committee every six months. Specific performance objectives were not set for the investment managers for 2010, but overall performance is compared with a benchmark based on the types of investments in the portfolios and performance in 2010 was in excess of the benchmark. The value of investments managed by Adams & Company Investment Management Limited was £831,896 at 31 December 2009 and £989,426 at 31 December 2010.

Financial Review

Reserves Policy

The Association's unrestricted funds comprise the following:

- The General Fund, which comprises the accumulated surplus on unrestricted funds and is available for use in furtherance of the charitable objectives of the Association.
- The Regions' and Branches' Fund, a designated fund that represents funds held to enable each region and branch to carry out its regional and local activities within the scope permitted by the articles of Association and the byelaws.

Movements in unrestricted funds referred to above are detailed in Note 16 to the Financial Statements.

The Regions' and Branches Fund (total £243,970) comprises funds held by IWA's 34 branches and those of its 8 regions that still have funds. These funds are held to support the ongoing activities of those regions and branches and a wide variety of specific projects. Of the total amount, £21,509 was earmarked for specific projects (see Note 18 to the Financial Statements).

Restricted funds represent monies set aside for particular projects or purposes and are administered in accordance with the instructions or intentions of the donors. Movements in restricted funds are detailed in Note 15 to the Financial Statements.

The Association's income may vary from year to year due to unforeseen changes, for example in the value of legacies received, in the value of the Association's investments, in the income from Inland Waterways Enterprises Limited and in membership income. Similarly its expenditure can change, for example due to needs for major legal advice or urgent expenditure on waterway restoration. The Association therefore holds reserves that enable it to continue its activities whenever the need arises and irrespective of any financial or operational difficulty the Association may be experiencing at the time.

The reserves consist of the General Fund (excluding the designated funds), less the sum of the funds invested in tangible fixed assets and the value of commitments made. Based on the risk assessments it has carried out, trustees have concluded that IWA's reserves should lie between £325,000 and £650,000.

Each year's Financial Statements will set out the level of the reserves on the first day and the last day of the year. If either figure is outside the desirable range, the action that trustees have taken to correct the position will be identified and recorded. The free reserves as at 31st December 2010 were £821,045 (£766,683 as at 31st December 2009). In addition to commitments already given, trustees planned an excess of expenditure over income for unrestricted funds of nearly £200,000 in 2011, which is likely to see the reserves decrease below £650,000 by the end of 2011. Trustees will continue to review the reserves policy annually. No funds were in deficit at the year end.

Principal Funding Sources

The Association's principal funding sources for 2010 were: subscriptions from members (£379,799); grant income (£ 93,516); donations (£108,763), (of which £45,046 was restricted); legacies (£53,827); and investment income (£28,828); (of which £1,917 was restricted). The net result of trading activities undertaken through Inland Waterways Enterprises Limited (including festivals and sales of goods) showed a small surplus for the year of £18,801 (compared to £11,235 in 2009).

Total net incoming resources available for charitable applications during 2010 were £1,562,165 (compared to £1,609,787 in 2009). This enabled charitable expenditure of £1,712,916 (compared to £1,891,109 in 2009), and, when combined with profits on investments of £140,776 increased the General Fund carried forward to 2011.

Investment Policy

Management of the Association's investments is through Finance Committee and its Investment Working Group sub-committee. Investments are managed on a discretionary basis by Adams & Company Investment Management Limited, which is appointed by trustees via Finance Committee.

The Association's investment policy is:

1. Investments will take account of all known financial commitments. The market value, including cash, of the investment portfolios relating to unrestricted funds, plus the value of other funds in deposit accounts, shall be maintained as far as possible within the desirable range set out in IWA's reserves policy.
2. There shall be no investment in futures, forwards, options, swaps, foreign currency assets, hedge funds and other derivatives.
3. No investment other than cash shall be made that takes the total value of any one holding to more than 5% of the value of the portfolio. Where through investment performance any holding exceeds 5% there will be no immediate requirement to sell the excess.

4. Investments to the value of at least half the restricted and designated funds shall be held in cash, short-term deposits, index-linked stocks, or fixed interest stocks with a maximum outstanding term to redemption of 5 years.
5. The investment managers shall report to the Investment Working Group at quarterly intervals, or more often if necessary, providing full details of the portfolio including
 - List of individual investments, listing purchase price and date, current market value, yield, percentage of overall portfolio value
 - Overall portfolio value, broken down to show sector classifications
 - List of transactions since previous report
 - Performance of portfolios including comparisons with appropriate benchmarks
 - Statements of capital and income transactions during the period under review
 - Any further information, comment or recommendations as the Investment Working Group may at any time request.
6. At least at annual intervals or more often if necessary the investment managers shall review with the Investment Working Group (a) the financial performance and future prospects of the portfolio and (b) the overall management of the portfolios in the light of the IWA's then current investment strategy and policy.
7. The Investment Working Group shall report in writing half-yearly to IWA's Finance Committee, or more often as appropriate, on the operation of IWA's investment strategy and policy and on portfolio changes.

There are no specific instructions to investment managers concerning social, environmental or ethical considerations other than investments must not be made in institutions that would be adverse to the objectives of the charity.

Plans for Future Periods

Trustees set the following objectives for 2011:

- (a) To maintain the Association's exemplary Health & Safety record by ensuring that the safety of all employees, volunteers and other supporters is given the highest priority.
- (b) To continue IWA's existing activities to campaign for the conservation, restoration and appropriate use and development of the inland waterways, actively encouraging and inspiring the widest possible audience to support the Association's objectives, and maintaining the current enthusiasm for waterways issues amongst parliamentarians. There should be a particular emphasis in showing inclusive leadership of the voluntary inland waterways sector, and promoting the Association's long stated aim of a National Conservancy for the inland waterways.
- (c) To improve the Association's communications with members and other supporters, particularly potential new members, through developing the Association's web site and new electronic communications. This should enable IWA to better deliver the Association's campaigning message, as well as news of the Association's activities, to a wider audience in a timelier manner, which should bring greater support for the Association as well as achieving campaign objectives.
- (d) To encourage and facilitate greater engagement in the Association's activities through an increasing number of active members and supporters, through (a) looking at new ways of attracting people to IWA, including broadening the membership to a wider range of users and geographical area, (b) enabling greater engagement and participation in IWA activities for all ages, (c) maintaining the high level of public interest and new volunteers drawn to Waterway Recovery Group and (d) implementing new activities aimed at a younger audience.
- (e) To continue to manage risk in a diligent manner, and to comply with charitable law and other appropriate and relevant regulation.

(f) To maintain the Association's long-term financial position by (a) further addressing new income generating opportunities, notwithstanding the continuing difficult economic situation, (b) better promoting membership recruitment, (c) ensuring the financial viability of activities and events where campaigning objectives are not the main remit, and (d) better controlling costs in all areas.

(g) To continue the orderly and responsible management of the Chelmer & Blackwater Navigation by Essex Waterways Limited, and bring further improvements to the waterway for the widest community benefit

Trustees Responsibilities

The directors (trustees) are responsible for preparing the annual 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). 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 the profit and loss of the company for that period. In preparing those financial statements, the directors are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgments and estimates that are reasonable and prudent;
- c) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d) 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Association's web site. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By Order of the Board of Trustees:

Clive Henderson
National Chairman

Helen Elliott-Adams
Company Secretary

Head Office and Registered Office:
Island House, Moor Road, Chesham,
Buckinghamshire, HP5 1WA

The Inland Waterways Association

FINANCIAL STATEMENTS

for the year ended
31 December 2010

Company Registration No. 612245
Registered Charity No. 212342

The Inland Waterways Association

Financial Statements

For the year ended 31 December 2010

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The Inland Waterways Association

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 4. to 23. 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 and the trustees, 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 and trustees 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, the company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the 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.

We have been appointed as auditors under section 43 of the Charities Act 1993 and the Companies Act 2006 and report in accordance with those Acts. 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 group's and the parent charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 the parent charity's affairs as at 31 December 2010 and of the group's incoming resources and application of resources, including its income and expenditure, 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 and the Charities Act 1993.

Opinion on other requirement of the Companies Act 2006

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

Inland Waterways Association

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS CONTINUED

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 and the Charities Act 1993 require us to report to you if, in our opinion:

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

Leah Sowden (Senior Statutory Auditor) For and on behalf of Saffery Champness

Chartered Accountants	Fox House
Statutory Auditors	26 Temple End
	High Wycombe
	Buckinghamshire
[date]	HP13 5DR

Saffery Champness is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

The Inland Waterways Association
GROUP CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
 (incorporating Income and Expenditure Account) For the year ended 31 December 2010

	Note:	Unrestricted funds 2010 £	Restricted funds 2010 £	Total Funds 2010 £	Total Funds 2009 £
Incoming resources					
Incoming resources from generated funds:					
Voluntary Income:					
Donations and legacies	2	117,544	45,046	162,590	111,946
Grant Income		93,516	-	93,516	205,285
Subscriptions from members		379,799	-	379,799	379,671
Activities for generating funds:					
Sales of goods and services		151,911	-	151,911	186,900
Festivals income		283,510	-	283,510	255,792
Other events and activities		70,710	13,314	84,024	60,471
Charitable trading		11,932	-	11,932	11,471
Navigation management income		344,824	-	344,824	333,728
Investment income	4	26,911	1,917	28,828	39,098
Incoming resources from charitable activities:					
Publications Income		4,848	-	4,848	3,684
Public meetings and other activities		16,383	-	16,383	21,741
Total incoming resources		1,501,888	60,277	1,562,165	1,609,787
Resources expended					
Cost of generating funds:					
Fundraising trading: costs of goods sold and other costs					
Cost of sales of goods and services		109,016	-	109,016	113,137
Festivals		252,330	-	252,330	236,365
Other events and activities		1,680	-	1,680	1,013
Charitable trading		2,414	-	2,414	5,646
Navigation management costs		424,243	-	424,243	371,666
Investment Management Costs		6,522	-	6,522	6,951
Charitable Activities					
Campaign and restoration costs	5a	575,645	116,954	692,599	893,720
Membership support costs	5b	138,576	-	138,576	170,678
Public meetings and other activities	5c	7,730	-	7,730	11,968
Governance Costs	5d	77,806	-	77,806	79,965
Total Resources Expended	6	1,595,962	116,954	1,712,916	1,891,109
Net resources expended before transfers		(94,074)	(56,677)	(150,751)	(281,322)
Transfers					
Transfers between funds		(14,976)	14,976	-	-
Net (resources expended) before other recognised gains and losses		(109,050)	(41,701)	(150,751)	(281,322)
Gains/(losses) on investments	10	140,776	-	140,776	165,646
Net movement in funds		31,726	(41,701)	(9,975)	(115,676)

The Inland Waterways Association
GROUP CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
 (incorporating Income and Expenditure Account) For the year ended 31 December 2010

	Unrestricted funds	Restricted funds	Total funds	Total funds
Note:	2010	2010	2010	2009
	£	£	£	£
Net movement in funds	31,726	(41,701)	(9,975)	(115,676)
Fund balances at 1 January	1,122,387	445,539	1,567,926	1,683,602
Fund balances at 31 December	<u>1,154,113</u>	<u>403,838</u>	<u>1,557,951</u>	<u>1,567,926</u>

All incoming resources and resources expended derive from continuing activities.

The notes on pages 7 to 23 form part of these financial statements.

The Inland Waterways Association
BALANCE SHEET
AS AT 31 DECEMBER 2010

	<i>Note:</i>	Group 2010 £	Group 2009 £	Charity 2010 £	Charity 2009 £
Fixed assets					
Tangible assets	9	89,098	129,879	56,223	94,379
Investments	10	1,222,091	1,282,928	1,272,085	1,332,322
		<u>1,311,189</u>	<u>1,412,807</u>	<u>1,328,308</u>	<u>1,426,701</u>
Current assets					
Stocks	11	53,798	61,710	-	-
Debtors	12	55,373	82,904	126,653	56,337
Cash at bank and in hand		333,853	337,505	229,734	308,390
		<u>443,024</u>	<u>482,119</u>	<u>356,387</u>	<u>364,727</u>
Creditors: Amounts falling due within one year	13	(166,117)	(291,465)	(102,656)	(176,509)
Net current assets		<u>276,907</u>	<u>190,654</u>	<u>253,731</u>	<u>188,218</u>
Total assets less current liabilities		1,588,096	1,603,461	1,582,039	1,614,919
Creditors: Amounts falling due after more than one year					
Life membership account	14	(30,145)	(35,535)	(30,145)	(35,535)
		<u>1,557,951</u>	<u>1,567,926</u>	<u>1,551,894</u>	<u>1,579,384</u>
Funds					
Restricted funds	15	403,838	445,539	403,838	445,539
Unrestricted funds:					
- Designated funds	16	243,970	225,825	243,970	225,825
- General fund	16	910,143	896,562	904,086	908,020
		<u>1,557,951</u>	<u>1,567,926</u>	<u>1,551,894</u>	<u>1,579,384</u>

The financial statements on pages 4 to 23 were approved and authorised for issue by the Board of Trustees on 11 June 2011 and signed on its behalf by:

CLIVE HENDERSON (Chairman)

LES ETHERIDGE (Trustee)

Company Registration No. 612245

The Inland Waterways Association
ACCOUNTING POLICIES
For the year ended 31 December 2010

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments, in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) and Companies Act 2006 and applicable accounting standards.

BASIS OF CONSOLIDATION

The Consolidated Statement of Financial Activities includes the results of the Charity and all its subsidiaries made up to 31 December 2010. The results of the subsidiaries are consolidated on a line by line basis. Details of the subsidiary undertakings together with a summary of their income and expenditure for the year are shown in notes 3 and 10.

A separate Statement of Financial Activities, or Income and Expenditure Account, for the Charity itself is not presented because the Charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP. The deficit for the year dealt with in the financial statements of the Charity was £27,490 (2009:Deficit £127,151).

INCOMING RESOURCES

All incoming resources are included in the Consolidated Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the Charity being notified of an impending distribution or the legacy being received.

GRANTS RECEIVABLE

Grants in respect of capital expenditure are credited to deferred capital grants and released to the Consolidated Statement of Financial Activities over the estimated useful life of the relevant assets. Grants of a revenue nature are credited in the period to which they relate.

RESOURCES EXPENDED

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. The cost of services such as personnel, office facilities and management is allocated to the functional categories of expenditure included in the financial statements based on an analysis of the time spent by each department.

GRANTS PAYABLE

Grants payable are accounted for in full to the extent that past events have created a valid expectation in other parties that the charity will honour commitments, both legal and implied and any attaching conditions are outside our control.

COST OF GENERATING FUNDS

The cost of generating funds consists of those costs incurred in the generation of the group's trading activities and investment management fees.

CHARITABLE ACTIVITIES

Costs of charitable activities include the cost of grants, membership support costs, restoration costs, public meeting costs and a proportion of overhead and support costs as shown in note 5.

GOVERNANCE COSTS

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs as shown in note 5(d).

The Inland Waterways Association
ACCOUNTING POLICIES
For the year ended 31 December 2010

DEPRECIATION

Tangible fixed assets costing more than £1,000 are capitalised. Depreciation is calculated to write off the cost, less estimated residual value of fixed assets over their estimated useful lives on a straight line basis as follows:

Computer equipment	- 3 to 4 years
Plant and equipment	- 3 to 10 years
Motor vehicles	- 4 years
Leasehold land and buildings	-10 years

INVESTMENTS

Investments are stated at 'mid-market' prices at the Balance Sheet date. The Consolidated Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

STOCK

Stock of goods for resale has been valued at the lower of cost and net realisable value.

LIFE MEMBERSHIP SUBSCRIPTIONS

Amounts received in respect of life membership are taken to the life membership account and released to incoming resources evenly over 10 years.

FUND ACCOUNTING

The funds of the charity are segregated between:

Restricted funds

Comprising monies where a restriction has been placed on their use by a donor. These are separately accounted for and described in note 15.

Unrestricted funds comprising:-

Designated funds

Funds held by IWA Branches and Regions, and WRG regional groups - to enable each region or branch to carry out its activities.

General fund

Comprising the accumulated surplus on unrestricted funds and is available for use in furtherance of the charitable objectives of the charity.

The Inland Waterways Association
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 December 2010

1 STATUS

The Charity is a company registered in England, limited by the guarantee of each member to a maximum limit of £1 each and has no share capital. It is a registered charity under the Charities Acts 1960 and 1993. As a Charity, tax exemption applies to the income arising from and expended on its charitable activities.

2 DONATIONS AND LEGACIES	Unrestricted funds £	Restricted funds £	Total funds 2010 £	Total funds 2009 £
Donations	63,717	45,046	108,763	88,991
Legacies	53,827	-	53,827	22,955
	<u>117,544</u>	<u>45,046</u>	<u>162,590</u>	<u>111,946</u>

3 INCOME FROM SUBSIDIARIES' TRADING ACTIVITIES

The Charity owns the whole of the issued ordinary share capital of Inland Waterways Enterprises Limited and Essex Waterways Limited. Each company is registered in England and details of their activities are given in note 10.

A summary of each company's trading results are shown below:

Summary profit and loss accounts

	Essex Waterways Limited		Inland Waterways Enterprises Limited	
	2010 £	2009 £	2010 £	2009 £
Turnover	439,210	447,333	435,421	442,692
Cost of sales and operating expenses	(434,316)	(402,108)	(415,768)	(427,947)
Net interest receivable/ (payable)	12	14	(852)	(3,510)
Net profit/(loss)	<u>4,906</u>	<u>45,239</u>	<u>18,801</u>	<u>11,235</u>
Amount gifted to the Charity	-	(45,000)	(6,192)	-
Retained in subsidiary	<u>4,906</u>	<u>239</u>	<u>12,609</u>	<u>11,235</u>

The Inland Waterways Association
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

4	INVESTMENT INCOME	Unrestricted funds £	Restricted funds £	Total funds 2010 £	Total funds 2009 £
	Bank interest	2,494	1,917	4,411	6,663
	Income from quoted investments	24,417	-	24,417	32,435
		<u>26,911</u>	<u>1,917</u>	<u>28,828</u>	<u>39,098</u>
		<u><u>26,911</u></u>	<u><u>1,917</u></u>	<u><u>28,828</u></u>	<u><u>39,098</u></u>
5	COSTS OF CHARITABLE ACTIVITIES				
		Unrestricted funds £	Restricted funds £	Total funds 2010 £	Total funds 2009 £
(a)	Campaign and restoration costs				
	Staff costs	182,976	6,178	189,154	188,814
	Proportion of building and infrastructure costs	71,520	-	71,520	78,441
	Printing, postage and stationery	6,665	-	6,665	7,918
	Meeting, travel and officers' expenses	26,793	3,112	29,905	29,508
	Donations and grants	44,323	41,270	85,593	97,640
	Working Party Costs	12,686	-	12,686	10,069
	WRG restoration costs	66,445	2,339	68,784	73,959
	Other restoration costs	-	52,945	52,945	207,251
	Branch & region magazines, printing, advertising expense etc.	33,140	-	33,140	33,968
	Campaign Costs	49,439	-	49,439	87,051
	Computer and Consultancy Costs	21,759	-	21,759	27,525
	Other direct costs of activities	59,899	11,110	71,009	51,576
		<u>575,645</u>	<u>116,954</u>	<u>692,599</u>	<u>893,720</u>
		<u><u>575,645</u></u>	<u><u>116,954</u></u>	<u><u>692,599</u></u>	<u><u>893,720</u></u>
(b)	Membership support costs				
	Staff costs	72,263	-	72,263	81,033
	Proportion of building and infrastructure costs.	24,594	-	24,594	26,974
	Printing, postage and stationery	7,662	-	7,662	11,236
	Brochures and advertising	6,908	-	6,908	8,052
	Computer and Consultancy Costs	7,482	-	7,482	11,533
	Membership and recruitment costs	3,941	-	3,941	17,439
	Other direct costs	15,726	-	15,726	14,411
		<u>138,576</u>	<u>-</u>	<u>138,576</u>	<u>170,678</u>
		<u><u>138,576</u></u>	<u><u>-</u></u>	<u><u>138,576</u></u>	<u><u>170,678</u></u>

The Inland Waterways Association
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 December 2010

5 COSTS OF CHARITABLE ACTIVITIES (CONTINUED)

	Unrestricted funds £	Restricted funds £	Total funds 2010 £	Total funds 2009 £
(c) Public meetings and other activities				
Public meetings and other activities	7,730	-	7,730	11,968
(d) Governance Costs				
Staff costs	24,872	-	24,872	21,914
Proportion of building and infrastructure costs.	6,704	-	6,704	7,352
Printing, postage and stationery	625	-	625	504
Computer and Consultancy Costs	2,040	-	2,040	2,580
Annual general meeting costs	598	-	598	475
Annual report printing costs	3,860	-	3,860	5,835
Audit & Accountancy*	21,810	-	21,810	20,427
Legal Costs	7,012	-	7,012	10,136
FSA Fees	806	-	806	643
Trustee Insurance Costs	1,340	-	1,340	1,276
National Chairman's expenses	3,191	-	3,191	4,066
Trustee Board Meeting Costs	663	-	663	830
Other Direct Costs	4,285	-	4,285	3,927
		-		
	<u>77,806</u>	<u>-</u>	<u>77,806</u>	<u>79,965</u>

*Audit fees in respect of the charity and its subsidiary companies amounted to £19,750 (2009: £18,750).

The Inland Waterways Association
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

6 ANALYSIS OF TOTAL RESOURCES EXPENDED

	Grants and Donations £	Staff costs (note 7) £	Other costs £	Depreciation £	Total expended 2010 £	Total expended 2009 £
Cost of generating funds:						
Fundraising trading: costs of goods sold and other costs:						
Cost of sales of goods and services	-	30,465	78,551	-	109,016	113,137
Festivals	-	16,571	231,334	4,425	252,330	236,365
Other events and activities	-	-	1,680	-	1,680	1,013
Charitable trading	-	-	2,414	-	2,414	5,646
Navigation management costs	-	14,780	404,795	4,668	424,243	371,666
Investment Management Costs	-	-	6,522	-	6,522	6,951
Charitable activities:						
Campaign and restoration costs	82,568	189,154	387,918	32,959	692,599	893,720
Membership support costs	-	72,263	56,189	10,124	138,576	170,678
Public meetings and other activities	-	-	7,730	-	7,730	11,968
Governance Costs	-	24,872	50,174	2,760	77,806	79,965
	<u>82,568</u>	<u>348,105</u>	<u>1,227,307</u>	<u>54,936</u>	<u>1,712,916</u>	<u>1,891,109</u>

The Inland Waterways Association
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 December 2010

7	STAFF COSTS	2010	2009
		£	£
	Wages and salaries	292,095	297,301
	Social security costs	27,883	28,653
	Other costs	28,127	23,374
		<u>348,105</u>	<u>349,328</u>
		<u><u> </u></u>	<u><u> </u></u>

There were no employees earning over £60,000 per annum
 (2009: none)

	2010	2009
	No.	No.
The average number of employees of the Charity, calculated on a full-time equivalent basis analysed by function was:		

Charitable activities	7	7
Support Staff	4	4
	<u>11</u>	<u>11</u>
	<u><u> </u></u>	<u><u> </u></u>

8 TRUSTEES' REMUNERATION AND INSURANCE

The members of the Board of Trustees receive no remuneration for their services. During the year, 12 (2009: 10) members were reimbursed travel and incidental expenses incurred in respect of their services to the Group totalling £14,614 (2009: £10,659). The premium for trustee indemnity insurance for members of the Board of Trustees was £1,340 (2009:£1,276).

The Inland Waterways Association
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

9 TANGIBLE FIXED ASSETS

Group	Leasehold Premises	Computer equipment £	Plant and equipment £	Motor vehicles £	Total £
Cost					
1 January 2010	-	29,691	117,796	163,660	311,147
Additions	5,000	7,687	1,468	-	14,155
Disposals		-	-	(3,000)	(3,000)
31 December 2010	<u>5,000</u>	<u>37,378</u>	<u>119,264</u>	<u>160,660</u>	<u>322,302</u>
Depreciation					
1 January 2010	-	29,691	67,110	84,467	181,268
Charge for year	500	961	15,110	38,365	54,936
Disposals		-	-	(3,000)	(3,000)
31 December 2010	<u>500</u>	<u>30,652</u>	<u>82,220</u>	<u>119,832</u>	<u>233,204</u>
Net book value					
31 December 2010	<u>4,500</u>	<u>6,726</u>	<u>37,044</u>	<u>40,828</u>	<u>89,098</u>
31 December 2009	<u>-</u>	<u>-</u>	<u>50,686</u>	<u>79,193</u>	<u>129,879</u>

Charity	Computer equipment £	Plant and equipment £	Motor vehicles £	Total £
Cost				
1 January 2010	29,692	56,269	163,660	249,621
Additions	7,687	-	-	7,687
Disposals	-	-	(3,000)	(3,000)
31 December 2010	<u>37,379</u>	<u>56,269</u>	<u>160,660</u>	<u>254,308</u>
Depreciation				
1 January 2010	29,692	41,082	84,468	155,242
Charge for year	961	6,517	38,365	45,843
Disposals	-	-	(3,000)	(3,000)
31 December 2010	<u>30,653</u>	<u>47,599</u>	<u>119,833</u>	<u>198,085</u>
Net book value				
31 December 2010	<u>6,726</u>	<u>8,670</u>	<u>40,827</u>	<u>56,223</u>
31 December 2009	<u>-</u>	<u>15,187</u>	<u>79,192</u>	<u>94,379</u>

All of the Charity's fixed assets are held for charitable purposes.

The Inland Waterways Association
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

10	FIXED ASSET INVESTMENTS	Group 2010 £	Group 2009 £
	Market value at 1 January	1,282,928	1,403,998
	Additions	74,677	158,141
	Disposals proceeds	(73,343)	(392,851)
	Transfer from current assets – Cash at bank	(227,364)	(84,441)
	Net investment gain (net of £16,071 realised gains, 2009 realised losses: £23,328)	140,776	165,646
	Dividends and interest	24,417	32,435
	Market value at 31 December	<u>1,222,091</u>	<u>1,282,928</u>
	Historic cost of investments	<u>622,538</u>	<u>610,498</u>

Investments are held in the UK and comprise the following:-

	Group 2010 £	Group 2009 £	Charity 2010 £	Charity 2009 £
Listed investments	968,052	825,941	968,052	825,941
Other Investments	8	608	-	-
Loan to subsidiary undertaking	-	-	50,000	50,000
Cash deposits	254,031	456,379	254,031	456,379
Shares in subsidiary companies	-	-	2	2
	<u>1,222,091</u>	<u>1,282,928</u>	<u>1,272,085</u>	<u>1,332,322</u>

Name	Business activity
Wholly owned Trading	
Subsidiaries of the charity:	
Inland Waterways Enterprises Limited	<ul style="list-style-type: none"> ● Publication of magazines, selling and distribution of books, Christmas cards and products promoting the cause of the Charity ● Organisation and promotion of festivals, events, fundraising activities and publicity work generally to promote the aims of the Charity
Essex Waterways Limited	<ul style="list-style-type: none"> ● Manage the Chelmer & Blackwater Navigation
Dormant Subsidiaries:	
Waterways for Youth Limited	<ul style="list-style-type: none"> ● Net Assets £2
Canalway Cavalcade Limited	<ul style="list-style-type: none"> ● Net Assets £2
Inland Boat Shows Limited	<ul style="list-style-type: none"> ● Net Assets £1
Inland Waterways Festivals Limited	<ul style="list-style-type: none"> ● Net Assets £1
National Waterways Festivals Limited	<ul style="list-style-type: none"> ● Net Assets £2
Waterway Recovery Group Limited	<ul style="list-style-type: none"> ● Net Assets £1

The Inland Waterways Association
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

11	STOCKS	Group	Group	Charity	Charity
		2010	2009	2010	2009
		£	£	£	£
	Goods for resale	53,798	61,710	-	-
		<u>53,798</u>	<u>61,710</u>	<u>-</u>	<u>-</u>
12	DEBTORS	Group	Group	Charity	Charity
		2010	2009	2010	2009
		£	£	£	£
	Due within one year:				
	Trade debtors	6,439	14,291	2,104	540
	Amounts due from subsidiary undertakings	-	-	85,800	6,198
	Income tax recoverable	3,590	10,561	2,388	5,040
	Other debtors and prepayments	26,567	40,974	17,584	27,481
	Accrued income	18,777	17,078	18,777	17,078
		<u>55,373</u>	<u>82,904</u>	<u>126,653</u>	<u>56,337</u>
		<u>55,373</u>	<u>82,904</u>	<u>126,653</u>	<u>56,337</u>
13	CREDITORS	Group	Group	Charity	Charity
		2010	2009	2010	2009
		£	£	£	£
	Amounts falling due within one year:				
	Trade creditors	22,724	60,896	17,095	24,172
	Other taxes and social security	18,889	21,638	8,056	8,915
	Life membership account (note 14)	7,532	6,864	7,532	6,864
	Other creditors and accruals	116,972	202,067	69,973	136,558
		<u>166,117</u>	<u>291,465</u>	<u>102,656</u>	<u>176,509</u>
		<u>166,117</u>	<u>291,465</u>	<u>102,656</u>	<u>176,509</u>

The Inland Waterways Association
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 December 2010

14 LIFE MEMBERSHIP ACCOUNT

The balance on the life membership account will be applied as follows:

	Group and Charity	
	2010	2009
	£	£
After 5 years	4,361	6,535
Within 2 to 5 years	18,252	21,750
Within 1 to 2 years	7,532	7,250
	<u>30,145</u>	<u>35,535</u>
Within 1 year	7,532	6,864
	<u>37,677</u>	<u>42,399</u>
	<u><u>37,677</u></u>	<u><u>42,399</u></u>
The movements during the year were:		
1 January	42,399	45,779
New life members in year	2,142	3,485
Transferred to income in year	(6,864)	(6,865)
	<u>37,677</u>	<u>42,399</u>
31 December	<u><u>37,677</u></u>	<u><u>42,399</u></u>

The Inland Waterways Association
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 December 2010

15 RESTRICTED FUNDS GROUP AND CHARITY	1 January 2010 £	Incoming resources £	Resources expended £	Transfers £	31 December 2010 £
Chelmer and Blackwater Fund	11,446	59	-		11,505
Chelmer and Blackwater Number 2 Fund	117,185	560	(30,970)		86,775
Charles Hadfield Fund	6,538	35	-		6,573
Ipswich and Stowmarket Navigation Fund	15,405	78	(4,050)		11,433
Lancashire Canals Fund	11,304	61	-		11,365
The Christopher Power Award Fund	15,219	80	(1,786)		13,513
The New Power Family Award	21,834	117	-		21,951
Research & Studies Fund	5,061	449	-		5,510
Waterway Recovery Group Fund	198,914	17,241	(4,554)		211,601
Elsie May Watson Fund	41,677	36	(33,498)		8,215
Frederick Woodman Fund	956	3,451	(4,404)		3
National Restoration Appeal	-	26,387	(10,993)		15,394
National Waterways Restoration and Development Fund (NWR&DF)	-	11,723	(26,699)	14,976	-
	<u>445,539</u>	<u>60,277</u>	<u>(116,954)</u>	<u>14,976</u>	<u>403,838</u>

The Inland Waterways Association
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

The Chelmer and Blackwater Fund was created to assist with the care and maintenance of the Chelmer and Blackwater Navigation.

The Chelmer and Blackwater Fund Number 2 Fund was established to assist with works on the Chelmer and Blackwater Navigation.

The Charles Hadfield Fund was a bequest to assist the Association's campaign to promote inland shipping.

The Ipswich and Stowmarket Navigation Fund was created to assist with the restoration of the Ipswich and Stowmarket Navigation.

The Lancashire Canals Fund was a bequest for the upkeep of Lancashire Canals.

The Christopher Power Award Fund was a bequest to provide an annual financial award for the most significant contribution to waterway restoration.

The New Power Family Award was established to fund early restoration works.

The Research and Studies Fund represents donations to assist with structural restoration reports.

The Waterway Recovery Group Fund was raised by supporters to further the work of the Waterway Recovery Group.

The Elsie May Watson Fund was created to help fund restoration projects affected by the shortfall from DEFRA.

The Frederick Charles Woodman Fund was established to fund restoration work on the Grantham Canal.

The National Restoration Appeal was established to fund restoration work on the Inglesham Lock.

The National Waterways Restoration and Development Fund is a fund from which monies are given for the restoration and development of national waterways.

A transfer of £14,976 was made from unrestricted funds to the National Waterways Restoration and Development Fund during the year.

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16	UNRESTRICTED FUNDS	1 January 2010 £	Incoming resources £	Resources expended £	Transfers £	Net gain on investments £	31 December 2010 £
	GROUP						
	Designated Funds						
	Funds held by Regions and Branches	225,825	125,859	(107,714)	-	-	243,970
		<u>225,825</u>	<u>125,859</u>	<u>(107,714)</u>	<u>-</u>	<u>-</u>	<u>243,970</u>
	General Fund	896,562	1,376,029	(1,488,248)	(14,976)	140,776	910,143
		<u>1,122,387</u>	<u>1,501,888</u>	<u>(1,595,962)</u>	<u>(14,976)</u>	<u>140,776</u>	<u>1,154,113</u>
		<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>
	CHARITY						
	Designated Funds						
	Funds held by Regions and Branches	225,825	125,859	(107,714)	-	-	243,970
		<u>225,825</u>	<u>125,859</u>	<u>(107,714)</u>	<u>-</u>	<u>-</u>	<u>243,970</u>
	General Fund	908,020	577,634	(707,368)	(14,976)	140,776	904,086
		<u>1,133,845</u>	<u>703,493</u>	<u>(815,082)</u>	<u>(14,976)</u>	<u>140,776</u>	<u>1,148,056</u>
		<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

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17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 December 2010 are represented by:

GROUP	Restricted funds £	Designated funds £	General funds £	Total funds 2010 £	Total funds 2009 £
Tangible fixed assets	-	-	89,098	89,098	129,879
Investments	-	243,970	978,121	1,222,091	1,282,928
Net current assets	403,838	-	(126,931)	276,907	190,655
Long term liability	-	-	(30,145)	(30,145)	(35,535)
Total net assets at 31 December 2010	<u>403,838</u>	<u>243,970</u>	<u>910,143</u>	<u>1,557,951</u>	<u>1,567,927</u>

Fund balances at 31 December 2010 are represented by:

CHARITY	Restricted funds £	Designated funds £	General funds £	Total funds 2010 £	Total funds 2009 £
Tangible fixed assets	-	-	56,223	56,223	94,379
Investments	-	243,970	1,028,115	1,272,085	1,332,322
Net current assets	403,838	-	(150,107)	253,731	188,218
Long term liability	-	-	(30,145)	(30,145)	(35,535)
Total net assets at 31 December 2010	<u>403,838</u>	<u>243,970</u>	<u>904,086</u>	<u>1,551,894</u>	<u>1,579,384</u>

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18 FINANCIAL COMMITMENTS

At the year end the Charity has either given or is negotiating commitments to funding certain waterway restoration and development projects. These are subject to specific conditions being agreed and met. At 31 December 2010 £500 (2009: £250) had been committed to other projects whose value is less than £50,000.-

In addition to the above, certain regions and branches have earmarked £21,509 (2009: £19,709) for specific waterway projects.

At 31 December 2010 the charity had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings	
	2010	2009
Expiry date:	£	£
Within one year	-	-
Over 5 Years	35,000	35,000
	<u>35,000</u>	<u>35,000</u>

19 RELATED PARTY TRANSACTIONS

During the year the group purchased goods totalling £8,514 (2009: £7,768) 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 2010 was £73 (2009: £439). All transactions were undertaken on a commercial arm's length basis.

20 GRANTS

The following grants were awarded during the year:

	£
Wilts and Berks Canal Trust	2,300
The Cotswold Canals Trust	2,000
The Wey & Arun Canal Trust	2,000
Chesterfield Canal Trust	5,000
Derby and Sandiacre Canal Trust	2,000
Stafford Riverway Link CIC	2,000
	<u>15,300</u>

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21 POST BALANCE SHEET EVENTS

During the year the Association were informed that they had been awarded a share in the net residue of the estate of Miss Audrey Margaret Cooke. At the year end the eventual value of this legacy was not known due to the complexity of the estate. An interim distribution of £30,000 was received by the Association on 14th February 2011. A further £30,000 was also received on 26th April 2011.