

Company Registration No. 05545459 (England and Wales)

Essex Waterways Limited

**Annual report and financial statements
for the year ended 31 December 2015**

Essex Waterways Limited

Company information

Directors

David Carrington
Roy Chandler
Colin Edmond
Neil Edwards
Craig Holliday (Appointed 8 August 2015)
James Jenkins
Peter Martin
John Pomfret

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 2015

The directors present their report and financial statements for the year ended 31 December 2015.

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 tenth 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 2015, and further projects are planned for the coming months. The Company made a modest surplus in 2015, partly owing to timing of works, but these funds will be invested in further improvements along the waterway during 2016. 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 wellbeing of the waterway and its surrounding community. Especial thanks go to the regular volunteers, Chelmer Canal Trust and to Waterway Recovery Group. The directors wish to acknowledge the following donations and contributions during 2015:

Essex and Suffolk Water	£29,724
Essex County Council	£22,818
Taylor Wimpey plc	£74,000

Future Developments

Plans for 2016 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 2015:

David Carrington

Roy Chandler

Colin Edmond

Neil Edwards

Craig Holliday

(Appointed 8 August 2015)

James Jenkins

Peter Martin

John Pomfret

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
6 June 2016

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 2015 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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.

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 in preparing the directors' report and from preparing a strategic 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 2015

		2015	2014
	Notes	£	£
Turnover		565,471	471,014
Cost of sales		(212,114)	(109,951)
Gross profit		353,357	361,063
Operating costs		(326,731)	(317,038)
Administrative expenses		(15,626)	(17,119)
Operating profit	3	11,000	26,906
Interest receivable	4	28	21
Interest payable and similar charges		(5,202)	(3,014)
Profit on ordinary activities before donation		5,826	23,913
Donation to The Inland Waterways Association	6	-	(9,500)
Profit on ordinary activities before taxation		5,826	14,413
Tax on profit on ordinary activities	5	-	-
Profit for the year	13	5,826	14,413

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 2015

	Notes	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	7		168,548		113,472
Current assets					
Debtors	9	9,025		8,440	
Cash at bank and in hand		49,153		40,119	
		<u>58,178</u>		<u>48,559</u>	
Creditors: amounts falling due within one year	10	<u>(76,334)</u>		<u>(52,322)</u>	
Net current liabilities			<u>(18,156)</u>		<u>(3,763)</u>
Total assets less current liabilities			150,392		109,709
Creditors: amounts falling due after more than one year	11		<u>(121,654)</u>		<u>(86,797)</u>
			<u>28,738</u>		<u>22,912</u>
Capital and reserves					
Called up share capital	12		1		1
Profit and loss account	13		<u>28,737</u>		<u>22,911</u>
Shareholders' funds	14		<u>28,738</u>		<u>22,912</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective January 2015).

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

Approved by the Board for issue on 6 June 2016

Roy Chandler
Director

Neil Edwards
Director

Company Registration No. 05545459

Notes to the financial statements
For the year ended 31 December 2015

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015) and in accordance with applicable accounting standards.

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	4 - 10 years
Motor vehicles	4 years

Notes to the financial statements (continued)

For the year ended 31 December 2015

2 Employees

Staff costs	2015	2014
	£	£
Wages and salaries	167,291	165,534
Social security costs	11,769	11,589
Other pension costs	9,918	9,544
	<u>188,978</u>	<u>186,667</u>

Number of employees

The average monthly number of employees (including directors) during the year was:

	2015	2014
	Number	Number
Management and administration	2	2
Repairs and maintenance	6	5
Lockkeeper Duties	1	1
	<u>9</u>	<u>8</u>

3 Operating profit

	2015	2014
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	31,100	23,429
Auditors' remuneration	5,185	5,130
	<u>36,285</u>	<u>28,559</u>

No director received any remuneration during the year (2014 : Nil)

4 Investment income

	2015	2014
	£	£
Bank interest	28	21
	<u>28</u>	<u>21</u>

Notes to the financial statements (continued)
For the year ended 31 December 2015

5 Taxation

The company has estimated tax losses of £104,662 (2014 - £54,692) available for carry forward against future trading profits.

6 Gift Aided Profits	2015	2014
	£	£
Donation to The Inland Waterways Association	-	9,500
	<u> </u>	<u> </u>

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.

7 Tangible fixed assets

	Leasehold land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2015	8,630	162,943	171,573
Additions	-	86,176	86,176
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2015	8,630	249,119	257,749
	<u> </u>	<u> </u>	<u> </u>
Depreciation			
At 1 January 2015	3,870	54,231	58,101
Charge for the year	1,408	29,692	31,100
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2015	5,278	83,923	89,201
	<u> </u>	<u> </u>	<u> </u>
Net book value			
At 31 December 2015	3,352	165,196	168,548
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2014	4,760	108,712	113,472
	<u> </u>	<u> </u>	<u> </u>

Notes to the financial statements (continued)
For the year ended 31 December 2015

8 Fixed asset investments

Shares in the Chelmer and Blackwater Navigation Company Limited

	£
Cost	
At 1 January 2015 & at 31 December 2015	900
	<u> </u>
Provisions for diminution in value	
At 1 January 2015 & at 31 December 2015	900
	<u> </u>
Net book value	
At 31 December 2015	-
	<u> </u>
At 31 December 2014	-
	<u> </u>

9 Debtors	2015	2014
	£	£
Trade debtors	1,729	1,760
Amounts owed by parent company	-	607
Other debtors	7,296	6,073
	<u> </u>	<u> </u>
	9,025	8,440
	<u> </u>	<u> </u>

10 Creditors: amounts falling due within one year	2015	2014
	£	£
Trade creditors	13,391	3,817
Amounts owed to group undertakings	25,645	23,432
Taxation and social security	3,151	3,242
Other creditors	34,147	21,831
	<u> </u>	<u> </u>
	76,334	52,322
	<u> </u>	<u> </u>

Notes to the financial statements (continued)

For the year ended 31 December 2015

11 Creditors: amounts falling due after more than one year	2015	2014
	£	£
Loan from parent company	121,654	86,797
	<u> </u>	<u> </u>
Loan maturity analysis		
In more than one year but not more than two years	25,024	20,822
In more than two years but not more than five years	53,015	45,800
In more than five years	43,615	20,175
	<u> </u>	<u> </u>

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

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

12 Share capital	2015	2014
	£	£
Allotted, called up and fully paid		
1 Ordinary share of £1	1	1
	<u> </u>	<u> </u>

13 Statement of movements on profit and loss account	Profit and loss account £
Balance at 1 January 2015	22,911
Profit for the year	5,826
	<u> </u>
Balance at 31 December 2015	28,737
	<u> </u>

Notes to the financial statements (continued)

For the year ended 31 December 2015

14 Reconciliation of movements in Shareholders' funds	2015	2014
	£	£
Profit for the financial year	5,826	14,413
Opening Shareholders' funds	22,912	8,499
	<hr/>	<hr/>
Closing Shareholders' funds	28,738	22,912
	<hr/> <hr/>	<hr/> <hr/>

15 Control

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

16 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 group purchased goods (net of VAT) totalling £12,628 (2014: £20,770) 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 2015 was £285 (2014: £539). The group also purchased goods (net of VAT) totalling £650 (2014: £231) 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 2015 was £nil (2014: £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 2015

	2015	2014
	£	£
Turnover		
Mooring Related Income		
Mooring fees	344,910	340,289
Plot income	3,780	3,738
Electricity income	6,496	5,384
Canoe income	10,218	10,398
Angling Club income	10,753	10,569
Other income	14,496	20,472
Grant Related Income		
Essex County Council grass cutting	2,818	2,818
Chelmsford Conservation Grant	-	2,500
Smiths Yard Frontage - Springfield Basin	74,000	-
Essex and Suffolk Water	29,724	29,028
Essex County Council Weedcutter	20,000	-
Indigo Wharf Wall project	-	32,777
Other Income		
Sale of willows	47,060	7,020
Donations	279	4,543
Lease income	937	1,061
Sale of plant and equipment	-	417
	<hr/>	<hr/>
	565,471	471,014

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 2015**

Cost of sales		2015		2014
	£	£	£	£
Mooring Related				
Planting willow sets	3,722		3,510	
Helmsman course expenditure	-		453	
Paper Mill lock repairs	195		-	
Jetty improvements	3,428		6,548	
WRG work party costs	2,892		1,221	
Canoe licence commission	940		1,061	
General Lengthsmens duties	12,340		7,257	
Sewage costs	6,029		6,126	
Radio licensing costs	75		75	
Scrapage cost for boats	-		1,467	
Boatyard operating costs	231		35	
Capital Projects				
Safety board fitting - lock gates	3,000		11,389	
Toilet improvement Paper Mill	-		6,770	
Utilities - improvements	6,397		20,241	
Indigo Wharf Wall project	34		32,104	
Hoe Mill repairs	42,198		1,504	
Hoe Mill Lock landing stage	-		6,568	
Paper Mill car park	-		3,622	
Sandford lock car park	9,810		-	
Smiths Yard Frontage - Springfield Basin	70,398		-	
Service Improvements	7,880		-	
Little Baddow Mill sluices project	6,344		-	
Ricketts lock project	36,201		-	
		(212,114)		(109,951)
Gross profit		353,357		361,063

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 2015

	£	2015 £	£	2014 £
Operating Costs				
Credit Card costs	591		572	
Insurance	11,313		9,537	
Officers expenses	1,440		999	
Rates	8,009		7,431	
Utilities	18,871		17,921	
Repairs to machinery	4,307		2,630	
Lock House repairs	5,482		9,448	
Purchase of tools and safety equipment	7,349		6,538	
Fuel and transport costs	6,509		6,835	
Vehicle and plant costs	4,026		4,805	
Staff salaries	188,977		186,667	
Staff training	2,278		970	
Repairs to buildings	3,200		12,782	
Printing, postage and stationery	1,443		1,879	
Telephone	1,931		2,065	
IWA staff costs recharged	26,000		19,111	
Computer software and support costs	13		20	
Staff expenses	523		286	
Volunteer expenses	141		96	
Pest control	62		50	
Subscriptions paid	984		977	
Plant and equipment depreciation	31,100		23,429	
Crane repairs and maintenance	1,796		1,537	
Work boat costs	386		453	
		(326,731)		(317,038)

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 2015

		2015		2014
	£	£	£	£
Administrative expenses				
Audit and accountancy	5,185		5,130	
Legal and professional	5,928		9,646	
General expenses	991		674	
Provision for bad debts	827		519	
Chelmer and Blackwater Navigation Company fees	2,695		1,150	
		<u>(15,626)</u>		<u>(17,119)</u>
Operating Profit		11,000		26,906
Other interest receivable and similar income				
Bank interest received		28		21
Interest payable				
Interest payable on inter-company loan		(5,202)		(3,014)
Net Profit for the year		5,826		23,913
Donations to The Inland Waterways Association Restricted Fund		-		(9,500)
Result for the year		<u>5,826</u>		<u>14,413</u>

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