

**Company Registration No. 05545459 (England and Wales)**

**ESSEX WATERWAYS LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2012**

# ESSEX WATERWAYS LIMITED

## COMPANY INFORMATION

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### Directors

Roy Chandler  
Neil Edwards  
James Jenkins  
Colin Edmond (Appointed 1 December 2012)  
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

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# ESSEX WATERWAYS LIMITED

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# ESSEX WATERWAYS LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

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The directors present their report and financial statements for the year ended 31 December 2012.

### 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 seventh full year of trading by Essex Waterways maintained good income levels from mooring and other fees, especially bearing in mind the current economic situation. The Company has made further significant improvements to the infrastructure of the Navigation during 2012, although a number of works were delayed owing to the continual wet weather, strong river flows and waterlogged ground conditions. As a consequence of being unable to complete all the capital works intended, the Company made a substantial surplus in 2012, which 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 2013. 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:

Northumbrian Water	27,415	General Maintenance
Essex County Council	5,636	Towpath Maintenance
Other	839	

Towards the year end our Navigation Manager, Colin Edmond, retired after many years faithful service both with Essex Waterways and the Navigation Company previously, and in recognition of his unique experience on the Navigation and continuing enthusiasm, Colin was appointed to the board of directors on 1st December 2012, shortly after his retirement.

### Future Developments

Plans for 2013 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 2012:

Roy Chandler  
Neil Edwards  
James Jenkins  
Colin Edmond  
John Pomfret

(Appointed 1 December 2012)

**ESSEX WATERWAYS LIMITED**

**DIRECTORS' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2012**

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**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**

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We have audited the financial statements of Essex Waterways Limited for the year ended 31 December 2012 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 Directors' 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 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 2012 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**

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**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.

**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 2012

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		<b>2012</b>	<b>2011</b>
	Notes	£	£
<b>Turnover</b>		445,850	518,051
Cost of sales		(89,764)	(266,326)
<b>Gross profit</b>		356,086	251,725
Operating costs		(255,606)	(219,763)
Administrative expenses		(7,395)	(9,347)
<b>Operating profit</b>	<b>3</b>	93,085	22,615
Interest receivable	<b>4</b>	5	30
Interest payable and similar charges		(1,480)	-
<b>Profit on ordinary activities before donation</b>		91,610	22,645
Donation to The Inland Waterways Association	<b>5</b>	(90,000)	(22,000)
<b>Profit on ordinary activities before taxation</b>		1,610	645
Tax on profit on ordinary activities		-	-
<b>Profit for the year</b>	<b>12</b>	1,610	645

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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 2012

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		2012		2011	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	6		46,008		42,194
<b>Current assets</b>					
Debtors	8	8,486		19,507	
Cash at bank and in hand		48,228		42,688	
		<u>56,714</u>		<u>62,195</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(60,801)</u>		<u>(64,065)</u>	
<b>Net current liabilities</b>			<u>(4,087)</u>		<u>(1,870)</u>
<b>Total assets less current liabilities</b>			41,921		40,324
<b>Creditors: amounts falling due after more than one year</b>	10		<u>(33,730)</u>		<u>(33,743)</u>
			<u>8,191</u>		<u>6,581</u>
<b>Capital and reserves</b>					
Called up share capital	11		1		1
Profit and loss account	12		8,190		6,580
			<u>8,191</u>		<u>6,581</u>
<b>Shareholders' funds</b>	13		<u>8,191</u>		<u>6,581</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

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**

# ESSEX WATERWAYS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

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### 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

#### 1.5 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the period in which timing differences are expected to reverse, based on tax rates and laws that have been enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

**ESSEX WATERWAYS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2012****2 Employees**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>Staff Costs</b>		
Wages and salaries	144,793	120,353
Social security costs	10,581	8,924
Pension costs	8,482	8,939
	<u>163,856</u>	<u>138,216</u>

	<b>2012</b>	<b>2011</b>
	<b>No</b>	<b>No</b>
The average number of employees, calculated on a full-time equivalent basis analysed by function was:		
Management and administration	2	2
Repairs and maintenance	4	3
Lockkeeper Duties	1	1
	<u>7</u>	<u>6</u>

**3 Operating profit**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging:		
Depreciation of tangible assets	10,031	7,610
Auditors' remuneration	4,150	4,000
Directors' emoluments	-	-
and after crediting:		
Profit on disposal of tangible assets	<u>-</u>	<u>3,000</u>

**4 Investment income**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Interest on bank deposits	<u>5</u>	<u>30</u>
	<u>5</u>	<u>30</u>

**ESSEX WATERWAYS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2012**

<b>5 Gift Aided Profits</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Donation to The Inland Waterways Association	<u>90,000</u>	<u>22,000</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 & Blackwater Navigation.

<b>6 Tangible fixed assets</b>	<b>Leasehold land and buildings £</b>	<b>Plant and machinery etc £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 2012	5,000	49,472	54,472
Additions	1,500	12,345	13,845
At 31 December 2012	<u>6,500</u>	<u>61,817</u>	<u>68,317</u>
<b>Depreciation</b>			
At 1 January 2012	1,000	11,278	12,278
Charge for the year	720	9,311	10,031
At 31 December 2012	<u>1,720</u>	<u>20,589</u>	<u>22,309</u>
<b>Net book value</b>			
At 31 December 2012	<u>4,780</u>	<u>41,228</u>	<u>46,008</u>
At 31 December 2011	<u>4,000</u>	<u>38,194</u>	<u>42,194</u>

**ESSEX WATERWAYS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2012**

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**7 Fixed asset investments**

**Shares in the Chelmer and Blackwater Navigation Company Limited**

	<b>£</b>
<b>Cost</b>	
At 1 January 2012 & at 31 December 2012	900
<b>Provisions for diminution in value</b>	
At 1 January 2012 & at 31 December 2012	900
<b>Net book value</b>	
At 31 December 2012	-
At 31 December 2011	-

<b>8 Debtors</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Trade debtors	2,868	2,229
Prepayments and accrued income	2,116	4,390
Other debtors	3,502	12,888
	<u>8,486</u>	<u>19,507</u>

<b>9 Creditors: amounts falling due within one year</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Trade creditors	4,407	6,433
Amounts due to parent company	12,383	8,808
Other taxes and social security costs	2,969	2,618
Accruals and deferred income	35,188	40,719
Other creditors	5,854	5,487
	<u>60,801</u>	<u>64,065</u>

**ESSEX WATERWAYS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2012**

<b>10 Creditors: amounts falling due after more than one year</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Loan from parent company	33,730	33,743
	<u>33,730</u>	<u>33,743</u>
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	12,278	8,451
In more than two years but not more than five years	15,052	18,692
In more than five years	6,400	6,600
	<u>6,400</u>	<u>6,600</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 2019.

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

<b>11 Share capital</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
1 Ordinary shares of £1 each	1	1
	<u>1</u>	<u>1</u>

<b>12 Statement of movements on profit and loss account</b>	<b>Profit and loss account £</b>
Balance at 1 January 2012	6,580
Profit for the year	1,610
	<u>8,190</u>
Balance at 31 December 2012	<u>8,190</u>

<b>13 Reconciliation of movements in shareholders' funds</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	1,610	645
Opening shareholders' funds	6,581	5,936
	<u>8,191</u>	<u>6,581</u>
Closing shareholders' funds	<u>8,191</u>	<u>6,581</u>

## **ESSEX WATERWAYS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2012**

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#### **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 exemptions conferred by Financial Reporting Standard No 8 from the requirement to make disclosures concerning related parties within the group as the company is included in the financial statements of The Inland Waterways Association. A copy of these consolidated financial statements may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

During the year the company purchased goods (net of VAT) totalling £24,990 (2011: £8,337) 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 2012 was £3,761 (2011: £193). 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 2012

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	2012	2011
	£	£
<b>Turnover</b>		
<b>Mooring Related Income</b>		
Mooring Fees	329,727	311,129
Plot Income	4,229	4,987
Electricity Income	6,246	5,617
Canoe Income	7,562	7,501
Angling Club Income	9,979	9,599
Other Income	13,344	13,259
<b>Grant Related Income</b>		
Essex County Council Grass Cutting	5,636	5,636
Heybridge Basin North Quay	-	30,000
Life Raft Grant	-	45,000
Essex & Suffolk Water	27,415	26,159
Donations	839	914
CIF Grant Lock Landings	-	6,200
<b>Other Income</b>		
Sale of Willows	40,298	39,950
Construction work for Essex County Council	-	3,500
Sale of Land Rover	-	3,000
Insurance Proceeds re Donated Goods	-	5,600
Lease Income	575	-
	<hr/>	<hr/>
	445,850	518,051

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 2012**

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		<b>2012</b>		<b>2011</b>
	£	£	£	£
<b>Cost of sales</b>				
<b>Mooring Related</b>				
Planting Willow Sets	2,280		-	
Helmsman Course Expenditure	1,586		387	
Weed Cutting	1,984		4,870	
Rushes Lock Repairs	-		753	
Service Improvements	232		-	
Jetty Improvements	14,173		21,217	
Hall Bridge	-		95	
Dredging Costs	-		3,081	
WRG Work Party Costs	2,239		3,345	
Washing Machine Rental	-		1,358	
Road Repairs Heybridge	366		543	
General Lengthsmens Duties	8,269		9,153	
Little Baddow Mill Project	25,238		16,427	
Hoe Mill Repairs	-		1,733	
Paper Mill Slipway	5,378		1,964	
Sewage Costs	1,809		1,688	
Radio Licensing costs	190		75	
Utilities - Improvements	5,175		3,868	
Boatyard Operating Costs	286		570	
<b>Grant Related</b>				
Heybridge Basin North Quay	5,217		108,316	
Facilities Block Refurbishment	8,059		-	
Paper Mill Lock	3,300		12,000	
Sandford Lock	-		7,000	
Rushes Weir	3,983		10,000	
Lock Paddes	-		3,000	
Lock Landings Project	-		54,883	
		<u>89,764</u>		<u>266,326</u>
<b>Gross profit</b>		356,086		251,725

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 2012**

	2012	2011
	£	£
<b>Operating Costs</b>		
Credit Card Costs	552	582
Insurance	8,450	8,071
Officers Expenses	579	435
Rates	8,748	8,349
Utilities	15,415	17,921
Repairs to Machinery	2,776	1,984
Lock House Repairs	622	122
Purchase of Tools and Safety Equipment	5,972	6,283
Fuel & Transport Costs	5,791	6,986
Vehicle & Plant Costs	4,511	2,650
Staff Salaries	163,856	138,216
Staff Training	1,570	386
Repairs to Buildings	1,726	907
Printing, Postage & Stationery	1,646	1,938
Telephone	2,016	1,852
IWA Staff Costs Recharged	16,318	13,067
Computer Software & Support Costs	10	21
Staff Expenses	928	401
Pest Control	60	-
Subscriptions Paid	840	851
Plant and Equipment Depreciation	3,827	2,700
Shed Depreciation	220	-
Springfield Basin Office Depreciation	500	500
Crane Repairs and Maintenance	2,954	513
Work Boat Costs	235	618
Motor Vehicle Depreciation	5,484	4,410
	<u>255,606</u>	<u>219,763</u>
<b>Administrative expenses</b>		
Audit and Accountancy	4,925	4,750
Legal and Professional	60	1,332
General Expenses	489	601
Provision for Bad Debts	421	664
Chelmer & Blackwater Navigation Company Fees	1,500	2,000
	<u>7,395</u>	<u>9,347</u>
<b>Operating Profit</b>	<b>93,085</b>	<b>22,615</b>

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 2012**

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	2012		2011
	£	£	£
<b>Other interest receivable and similar income</b>			
Bank interest received	5		30
<b>Interest payable</b>			
Interest payable on inter-company loan	(1,480)		-
<b>Net Profit for the year</b>	91,610		22,645
Donations to The Inland Waterways Association Restricted Fund	90,000		22,000
<b>Result for the year</b>	<u>1,610</u>		<u>645</u>

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