

Company Registration No. 05545459 (England and Wales)

ESSEX WATERWAYS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

ESSEX WATERWAYS LIMITED

COMPANY INFORMATION

Directors

Roy Chandler
Neil Edwards
James Jenkins
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 2010

The directors present their report and financial statements for the year ended 31 December 2010.

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 fifth full year of trading by Essex Waterways maintained satisfactory income levels from mooring and other fees, and allowed the Company to make further significant improvements to the infrastructure of the Navigation. The two major projects undertaken during the year were the rebuilding of Hall Bridge at Heybridge and substantial repairs works around Paper Mill weir. 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 also to Waterway Recovery Group. The directors wish to acknowledge the following donations and contributions:

Essex County Council	35,880	Hall Bridge Grant
IWA Chelmer & Blackwater No. 2 Fund	30,970	Paper Mill Weir Project
Northumberland Water	24,866	General Maintenance
Essex Environment Trust	10,000	Paper Mill Weir Project
Essex County Council	5,500	P3 Partnership
IWA London Region	500	Purchase of Boat Trailer
Mr Willsher	200	Landing Stage Replacement
IWA Chelmsford Branch	141	Information signs

Future Developments

Plans for 2011 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 2010:

Roy Chandler
Colin Davis
Neil Edwards
James Jenkins
John Pomfret

(Resigned 7 December 2010)

ESSEX WATERWAYS LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2010

Auditors

A resolution to re-appoint Saffery Champness, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

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.

By order of the board

Neil Edwards

Secretary

7 June 2011

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 2010 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 2010 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

ESSEX WATERWAYS LIMITED

**INDEPENDENT AUDITORS' REPORT (continued)
TO THE MEMBERS OF ESSEX WATERWAYS LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

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

11 June 2011

**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 2010

		2010	2009
	Notes	£	£
Turnover		439,210	447,333
Cost of sales		(204,172)	(204,550)
Gross profit		235,038	242,783
Operating costs		(218,620)	(184,430)
Administrative expenses		(10,624)	(13,128)
Operating profit	3	5,794	45,225
Interest receivable	4	12	14
Amounts written off investments	5	(900)	-
Profit on ordinary activities before donation		4,906	45,239
Donation to The Inland Waterways Association		-	(45,000)
Profit on ordinary activities before taxation		4,906	239
Tax on profit on ordinary activities		-	-
Profit for the year	11	4,906	239

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 2010

		2010		2009	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	6		28,800		27,000
Investments	7		-		600
			<hr/>		<hr/>
			28,800		27,600
Current assets					
Debtors	8	7,005		12,779	
Cash at bank and in hand		78,141		24,583	
		<hr/>		<hr/>	
		85,146		37,362	
Creditors: amounts falling due within one year	9	(108,010)		(63,932)	
		<hr/>		<hr/>	
Net current liabilities			(22,864)		(26,570)
			<hr/>		<hr/>
Total assets less current liabilities			5,936		1,030
			<hr/> <hr/>		<hr/> <hr/>
Capital and reserves					
Called up share capital	10		1		1
Profit and loss account	11		5,935		1,029
			<hr/>		<hr/>
Shareholders' funds	12		5,936		1,030
			<hr/> <hr/>		<hr/> <hr/>

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 7 June 2011

Roy Chandler
Director

Neil Edwards
Director

Company Registration No. 05545459

ESSEX WATERWAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention 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	1 - 10 years

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6 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 2010****2 Employees**

	2010	2009
	£	£
Staff Costs		
Wages and salaries	112,537	90,314
Social security costs	8,364	6,660
Pension costs	4,135	3,844
	<u>125,036</u>	<u>100,818</u>

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

Management and administration	2	2
Repairs and maintenance	3	2
Lockkeeper Duties	1	1
	<u>6</u>	<u>5</u>

3 Operating profit

	2010	2009
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	4,668	-
Auditors' remuneration	4,750	4,500
Directors' emoluments	-	-
	<u>-</u>	<u>-</u>

4 Investment income

	2010	2009
	£	£
Interest on bank deposits	12	14
	<u>12</u>	<u>14</u>

5 Amounts written off investments

	2010	2009
	£	£
Amounts written off fixed asset investments:		
- permanent diminution in value	900	-
	<u>900</u>	<u>-</u>

ESSEX WATERWAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2010**

6 Tangible fixed assets

	Leasehold land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 January 2010	-	27,000	27,000
Additions	5,000	1,468	6,468
	<hr/>	<hr/>	<hr/>
At 31 December 2010	5,000	28,468	33,468
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 January 2010	-	-	-
Charge for the year	500	4,168	4,668
	<hr/>	<hr/>	<hr/>
At 31 December 2010	500	4,168	4,668
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2010	4,500	24,300	28,800
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2009	-	27,000	27,000
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

ESSEX WATERWAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2010**

7 Fixed asset investments

Shares in the Chelmer and Blackwater Navigation Company Limited

	£
Cost	
At 1 January 2010	600
Additions	300
	<hr/>
At 31 December 2010	900
	<hr/>
Provisions for diminution in value	
At 1 January 2010	-
Charge for the year	900
	<hr/>
At 31 December 2010	900
	<hr/>
Net book value	
At 31 December 2010	-
	<hr/> <hr/>
At 31 December 2009	600
	<hr/> <hr/>

8 Debtors	2010	2009
	£	£
Trade debtors	1,579	2,713
Prepayments and accrued income	4,224	4,545
Other debtors	1,202	5,521
	<hr/>	<hr/>
	7,005	12,779
	<hr/> <hr/>	<hr/> <hr/>

ESSEX WATERWAYS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2010**

9 Creditors: amounts falling due within one year	2010	2009
	£	£
Trade creditors	4,406	35,650
Amounts due to parent company	79,800	4,000
Other taxes and social security costs	2,620	2,177
Accruals and deferred income	15,836	17,069
Other creditors	5,348	5,036
	<u>108,010</u>	<u>63,932</u>

10 Share capital	2010	2009
	£	£
Allotted, called up and fully paid		
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

11 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2010	1,029
Profit for the year	<u>4,906</u>
Balance at 31 December 2010	<u>5,935</u>

12 Reconciliation of movements in shareholders' funds	2010	2009
	£	£
Profit for the financial year	4,906	239
Opening shareholders' funds	<u>1,030</u>	<u>791</u>
Closing shareholders' funds	<u>5,936</u>	<u>1,030</u>

13 Control

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

ESSEX WATERWAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2010

14 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 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 £16 (2009: £439). 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 2010**

	2010	2009
	£	£
Turnover		
Mooring Related Income		
Mooring Fees	292,918	291,735
Plot Income	4,663	4,777
Electricity Income	5,884	5,863
Canoe Income	6,692	8,081
Angling Club Income	9,151	9,130
Other Income	8,061	3,975
Grant Related Income		
Hall Bridge Grant	35,880	-
Essex County Council Grass Cutting	5,500	5,317
Stonhams Lock Project Income	-	77,500
Chelmsford Conservation Grant	-	5,540
Essex & Suffolk Water	24,866	24,283
Paper Mill Weir Project	30,970	-
Donations	870	965
Other Income		
Sale of Willow Sets	13,580	10,167
HMRC Filing Income	175	-
	<hr/>	<hr/>
	439,210	447,333

ESSEX WATERWAYS LIMITED

**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2010**

	£	2010 £	£	2009 £
Cost of sales				
Mooring Related				
Planting Willow sets	3,915		2,470	
Purchase of Willow Sets	-		1,250	
Grass Cutting	-		9,076	
Weed Cutting	-		6,150	
Bank repairs Stonham	-		2,549	
Beeleigh Lock Project	6,721		5,320	
Service Improvements	1,316		7,090	
Freshwater Crescent Lease	-		10,085	
Jetty Improvements	8,204		7,333	
Sandford Mill Towpath Moorings	300		300	
Hall Bridge	-		170	
Dredging Costs	7,245		4,492	
WRG Work Party Costs	3,257		410	
Washing Machine Rental	1,260		1,333	
Road Repairs Heybridge	317		1,293	
Trees at Treasure Island	1,200		-	
Lock Landings Project	5,467		-	
General Lengthsmens Duties	15,990		14,384	
Sandford Mill Lower Moorings Project	-		415	
Hoe Mill repairs	327		274	
Installation of Clap gates and fencing	564		750	
Heybridge Mill Leats	-		6,860	
Heybridge Basin repairs	157		1,892	
Sewage Costs	1,223		3,560	
Radio Licensing costs	75		84	
Utilities - Improvements	1,984		8,637	
Sewage Improvements - Hoe Mill	507		-	
Boatyard Operating Costs	1,711		-	
Grant Related				
Stonhams Lock Project	170		107,396	
Sanford Lock Tree Planting	-		977	
Hall Bridge	29,971		-	
Paper Mill Weir Project	112,291		-	
		(204,172)		(204,550)

ESSEX WATERWAYS LIMITED**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2010**

	£	2010 £	£	2009 £
		_____		_____
Gross profit		235,038		242,783
Operating Costs				
Credit card costs	594		605	
Insurance	8,401		8,104	
Officers Expenses	758		945	
Rates	14,822		14,354	
Utilities	12,056		16,775	
Repairs to Machinery	2,901		1,538	
Lock House Repairs	178		20	
Purchase of Tools and Safety Equipment	9,594		3,111	
Fuel & Transport Costs	7,051		5,615	
Vehicle & Plant Costs	7,124		4,102	
Staff Salaries	125,036		100,818	
Staff Training	1,438		1,353	
Repairs to Buildings	4,450		3,021	
Printing, Postage & Stationary	1,504		2,041	
Telephone	1,934		2,539	
IWA Staff Costs Recharged	14,780		18,302	
Computer Software & Support Costs	63		69	
Staff Expenses	338		411	
Pest Control	92		196	
Subscriptions paid	838		511	
Plant and Equipment Depreciation	4,168		-	
Springfield Basin Office Depreciation	500		-	
		_____	_____	
		218,620		184,430

ESSEX WATERWAYS LIMITED**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010	2009
	£	£
Administrative expenses		
Audit and accountancy	4,750	4,500
Legal and professional	4,123	4,390
General expenses	232	549
Provision for Bad Debts	319	439
Chelmer & Blackwater Navigation Company Fees	1,200	3,250
	<u>10,624</u>	<u>13,128</u>
Operating Profit	5,794	45,225
Bank interest received	<u>12</u>	<u>14</u>
Net Profit for the year	5,806	45,239
Amounts written off investments		
Write-off of Chelmer and Blackwater Shares	(900)	-
Donations to the Inland Waterways Association		
Head Office	<u>-</u>	<u>(45,000)</u>
Result for the year	<u><u>4,906</u></u>	<u><u>239</u></u>