

Company Registration No. 05545459 (England and Wales)

ESSEX WATERWAYS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 12

ESSEX WATERWAYS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and financial statements for the year ended 31 December 2011.

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 sixth 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 2011. The major works undertaken during the year has been the upgrading of landing stages throughout the Navigation and repairs to the North Quay embankment at Heybridge. The Navigation continues to be well used by a broad cross section of local people for a wide range of amenity and recreational uses, as well as by visitors from further afield, and continues to receive much favourable comment and support.

Acknowledgements

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

Essex County Council	45,000	Capital Projects
Northumberland Water	26,159	General Maintenance
Northumberland Water	30,000	Heybridge North Quay
Essex County Council	5,636	Towpath Maintenance
Essex County Council	6,500	Landing Stage Replacement
Other	914	

Future Developments

Plans for 2012 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 2011:

Roy Chandler
Neil Edwards
James Jenkins
John Pomfret

Auditors

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

ESSEX WATERWAYS LIMITED

**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011**

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

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

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

On behalf of the board

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

ESSEX WATERWAYS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ESSEX WATERWAYS LIMITED

We have audited the financial statements of Essex Waterways Limited for the year ended 31 December 2011 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 2011 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.

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

.....

**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 2011

	Notes	2011 £	2010 £
Turnover		518,051	439,210
Cost of sales		(266,326)	(204,172)
Gross profit		251,725	235,038
Operating costs		(219,763)	(218,620)
Administrative expenses		(9,347)	(10,624)
Operating profit	3	22,615	5,794
Interest receivable	4	30	12
Amounts written off investments	5	-	(900)
Profit on ordinary activities before donation		22,645	4,906
Donation to The Inland Waterways Association	6	(22,000)	-
Profit on ordinary activities before taxation		645	4,906
Tax on profit on ordinary activities		-	-
Profit for the year	13	645	4,906

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 2011**

	Notes	£	2011 £	£	2010 £
Fixed assets					
Tangible assets	7		42,194		28,800
Current assets					
Debtors	9	19,507		7,005	
Cash at bank and in hand		42,688		78,141	
		<u>62,195</u>		<u>85,146</u>	
Creditors: amounts falling due within one year	10	<u>(64,065)</u>		<u>(108,010)</u>	
Net current liabilities			<u>(1,870)</u>		<u>(22,864)</u>
Total assets less current liabilities			40,324		5,936
Creditors: amounts falling due after more than one year	11		<u>(33,743)</u>		<u>-</u>
			<u>6,581</u>		<u>5,936</u>
Capital and reserves					
Called up share capital	12		1		1
Profit and loss account	13		6,580		5,935
			<u>6,581</u>		<u>5,936</u>
Shareholders' funds	14		<u>6,581</u>		<u>5,936</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 2011

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
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 2011****2 Employees**

	2011	2010
	£	£
Staff Costs		
Wages and salaries	120,353	112,537
Social security costs	8,924	8,364
Pension costs	8,939	4,135
	<u>138,216</u>	<u>125,036</u>

	2011	2010
	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	3
Lockkeeper Duties	1	1
	<u>6</u>	<u>6</u>

3 Operating profit

	2011	2010
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	7,610	4,668
Auditors' remuneration	4,750	4,750
Directors' emoluments	-	-
and after crediting:		
Profit on disposal of tangible assets	<u>3,000</u>	<u>-</u>

4 Investment income

	2011	2010
	£	£
Interest on bank deposits	<u>30</u>	<u>12</u>
	<u>30</u>	<u>12</u>

ESSEX WATERWAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011**

5	Amounts written off investments	2011	2010
		£	£
	Amounts written off fixed asset investments:		
	- permanent diminution in value	-	900
		<u> </u>	<u> </u>

6	Gift Aided Profits	2011	2010
		£	£
	Donation to The Inland Waterways Association	22,000	-
		<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 & Blackwater Navigation.

7	Tangible fixed assets			
		Leasehold land and buildings £	Plant and machinery etc £	Total £
	Cost			
	At 1 January 2011	5,000	28,468	33,468
	Additions	-	21,004	21,004
		<u> </u>	<u> </u>	<u> </u>
	At 31 December 2011	5,000	49,472	54,472
		<u> </u>	<u> </u>	<u> </u>
	Depreciation			
	At 1 January 2011	500	4,168	4,668
	Charge for the year	500	7,110	7,610
		<u> </u>	<u> </u>	<u> </u>
	At 31 December 2011	1,000	11,278	12,278
		<u> </u>	<u> </u>	<u> </u>
	Net book value			
	At 31 December 2011	4,000	38,194	42,194
		<u> </u>	<u> </u>	<u> </u>
	At 31 December 2010	4,500	24,300	28,800
		<u> </u>	<u> </u>	<u> </u>

ESSEX WATERWAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011**

8 Fixed asset investments

Shares in the Chelmer and Blackwater Navigation Company Limited

	£
Cost	
At 1 January 2011 & at 31 December 2011	900
Provisions for diminution in value	
At 1 January 2011 & at 31 December 2011	900
Net book value	
At 31 December 2011	-
At 31 December 2010	-

9 Debtors	2011	2010
	£	£
Trade debtors	2,229	1,579
Prepayments and accrued income	4,390	4,224
Other debtors	12,888	1,202
	<u>19,507</u>	<u>7,005</u>

10 Creditors: amounts falling due within one year	2011	2010
	£	£
Trade creditors	6,433	4,406
Amounts due to parent company	8,808	79,800
Other taxes and social security costs	2,618	2,620
Accruals and deferred income	40,719	15,836
Other creditors	5,487	5,348
	<u>64,065</u>	<u>108,010</u>

ESSEX WATERWAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011**

11 Creditors: amounts falling due after more than one year	2011	2010
	£	£
Loan from parent company	33,743	-
	<u>33,743</u>	<u>-</u>
Loan maturity analysis		
In more than one year but not more than two years	8,451	-
In more than two years but not more than five years	18,692	-
In more than five years	6,600	-
	<u>27,743</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 instalments and will be fully repaid by 2019.

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

12 Share capital	2011	2010
	£	£
Allotted, called up and fully paid		
1 Ordinary shares of £1 each	1	1
	<u>1</u>	<u>1</u>

13 Statement of movements on profit and loss account	Profit and loss account £
Balance at 1 January 2011	5,935
Profit for the year	645
	<u>6,580</u>
Balance at 31 December 2011	<u>6,580</u>

14 Reconciliation of movements in shareholders' funds	2011	2010
	£	£
Profit for the financial year	645	4,906
Opening shareholders' funds	5,936	1,030
	<u>6,581</u>	<u>5,936</u>
Closing shareholders' funds	<u>6,581</u>	<u>5,936</u>

ESSEX WATERWAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2011

15 Control

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

16 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 £8,337 (2010: £8,514) 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 2011 was £193 (2010: £16). 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 2011**

	2011	2010
	£	£
Turnover		
Mooring Related Income		
Mooring Fees	311,129	292,918
Plot Income	4,987	4,663
Electricity Income	5,617	5,884
Canoe Income	7,501	6,692
Angling Club Income	9,599	9,151
Other Income	13,259	8,061
Grant Related Income		
Hall Bridge Grant	-	35,880
Essex County Council Grass Cutting	5,636	5,500
Heybridge Basin North Quay	30,000	-
Life Raft Grant	45,000	-
Essex & Suffolk Water	26,159	24,866
Paper Mill Weir Project	-	30,970
Donations	914	870
CIF Grant Lock Landings	6,200	-
Other Income		
Sale of Willow Sets	39,950	13,580
Construction work for Essex County Council	3,500	-
Sale of Land Rover	3,000	-
Insurance Proceeds re Donated Goods	5,600	-
HMRC Online Filing incentive	-	175
	<hr/>	<hr/>
	518,051	439,210

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 2011**

	£	2011 £	£	2010 £
Cost of sales				
Mooring Related				
Planting Willow sets	-		3,915	
Helmsman Course Expenditure	387		-	
Weed Cutting	4,870		-	
Rushes Lock Repairs	753		-	
Beeleigh Lock Project	-		6,721	
Service Improvements	-		1,316	
Jetty Improvements	21,217		8,204	
Sandford Mill Towpath Moorings	-		300	
Hall Bridge	95		-	
Dredging Costs	3,081		7,245	
WRG Work Party Costs	3,345		3,257	
Washing Machine Rental	1,358		1,260	
Road Repairs Heybridge	543		317	
Trees at Treasure Island	-		1,200	
Lock Landings Project	-		5,467	
General Lengthsmens Duties	9,153		15,990	
Little Baddow Mill Project	16,427		-	
Hoe Mill repairs	1,733		327	
Installation of Clap gates and fencing	-		564	
Paper Mill Slipway	1,964		-	
Heybridge Basin repairs	-		157	
Sewage Costs	1,688		1,223	
Radio Licensing costs	75		75	
Utilities - Improvements	3,868		1,984	
Sewage Improvements - Hoe Mill	-		507	
Boatyard Operating Costs	570		1,711	
Grant Related				
Stonhams Lock Project	-		170	
Heybridge Basin North Quay	108,316		-	
Hall Bridge	-		29,971	
Papermill Lock	12,000		-	
Sandford Lock	7,000		-	
Rushes Weir	10,000		-	
Lock Paddes	3,000		-	
Paper Mill Weir Project	-		112,291	
Lock Landings Project	54,883		-	
		266,326		204,172

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 2011**

	£	2011 £	£	2010 £
		_____		_____
Gross profit		251,725		235,038
Operating Costs				
Credit card costs	582		594	
Insurance	8,071		8,401	
Officers Expenses	435		758	
Rates	8,349		14,822	
Utilities	17,921		12,056	
Repairs to Machinery	1,984		2,901	
Lock House Repairs	122		178	
Purchase of Tools and Safety Equipment	6,283		9,594	
Fuel & Transport Costs	6,986		7,051	
Vehicle & Plant Costs	2,650		7,124	
Staff Salaries	138,216		125,036	
Staff Training	386		1,438	
Repairs to Buildings	907		4,450	
Printing, Postage & Stationary	1,938		1,504	
Telephone	1,852		1,934	
IWA Staff Costs Recharged	13,067		14,780	
Computer Software & Support Costs	21		63	
Staff Expenses	401		338	
Pest Control	-		92	
Subscriptions paid	851		838	
Plant and Equipment Depreciation	2,700		4,168	
Springfield Basin Office Depreciation	500		500	
Crane Repairs and Maintanenc	513		-	
Workboat Costs	618		-	
Motor Vehicle Depreciation	4,410		-	
		_____	_____	
		219,763		218,620

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 2011**

		2011		2010
	£	£	£	£
Administrative expenses				
Audit and accountancy	4,750		4,750	
Legal and professional	1,332		4,123	
General expenses	601		232	
Provision for Bad Debts	664		319	
Chelmer & Blackwater Navigation Company Fees	2,000		1,200	
		<u>9,347</u>		<u>10,624</u>
Operating Profit		22,615		5,794
Bank interest received		<u>30</u>		<u>12</u>
Net Profit for the year		22,645		5,806
Amounts written off investments				
Write-off of Chelmer and Blackwater Shares		-		900
Donations to The Inland Waterways Association Restricted Fund		<u>22,000</u>		<u>-</u>
Result for the year		<u><u>645</u></u>		<u><u>4,906</u></u>

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