

REGISTERED COMPANY NUMBER: 4013446 (England and Wales)

**THE CHELMER CANAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31ST MARCH 2006**



**THE CHELMER CANAL TRUST
(LIMITED BY GUARANTEE)**

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FOR THE YEAR ENDED 31ST MARCH 2006**

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**THE CHELMER CANAL TRUST
(LIMITED BY GUARANTEE)**

**LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31ST MARCH 2006**

DIRECTORS: D A Courtman
V Cummins
N Frost
R E Jones (Resigned 14 March 2006)
W F Marriage
T S Peters
P Archer

SECRETARY: D A Courtman

TRUSTEES: D A Courtman
V Cummins
N Frost
R E Jones (Resigned 14 March 2006)
W F Marriage
T S Peters
P Archer
M Lewis

REGISTERED OFFICE: 16 Roots Lane
Wickham Bishops
Witham
Essex
CM8 3LS

**REGISTERED COMPANY
NUMBER:** 4013446 (England and Wales)

**REGISTERED CHARITY
NUMBER:** 1086112

ACCOUNTANTS: HEW Goldwyns Limited
Chartered Accountants
Rutland House
90-92 Baxter Avenue
Southend on Sea
Essex
SS2 6HZ

BANKERS: Barclays Bank PLC
Chelmsford High Street
Essex
CM1 1BG

**THE CHELMER CANAL TRUST
(LIMITED BY GUARANTEE)**

**TRUSTEES ANNUAL REPORT AND DIRECTORS REPORT
FOR THE YEAR ENDED 31ST MARCH 2006**

The directors present their report with the financial statements of the Trust for the year ended 31st March 2006.

ACTIVITIES

The Trust is a charitable company and its principal activity continues to be that of preserving, maintaining and enhancing for the benefit of the community at large the canals, rivers, their tributaries, waterways and natural environs of the Chelmer and Blackwater navigation conservation area.

DONATIONS AND INVESTMENT INCOME

Donations and investment income are accounted for on a received basis.

GRANT INCOME

Grant income is accounted for on a receivable basis.

RESOURCES EXPENDED

Resources expended are recognised in the period in which they were incurred. Resources expended include value added tax, which cannot be recovered.

ALLOCATION OF RESOURCES EXPENDED

Resources used are allocated to direct charitable expenditure on a specific basis or by an estimated apportionment where a cost is incurred in respect of more than one heading.

ACHIEVEMENTS AND PERFORMANCE

The main areas of charitable activity are the provision of preserving, maintaining and enhancing the canals, rivers, their tributaries, waterways and natural environs, together with the education and understanding of the general public.

During the year, the Trust has been able to maintain and enhance, with the support of volunteers, the Chelmer and Blackwater navigation conservation area by clearing pennywort and refuse from the canal.

RISK REVIEW AND RESERVES POLICY

The trustees have conducted their own review of the major risks to which the Trust is exposed and systems have been established to mitigate those risks. Internal risks are minimised by the implementation of procedures for the authorisation of all transactions and projects and to ensure consistent quality of delivery of all activities. These procedures are periodically reviewed to ensure they continue to meet the needs of the organisation.

The information from the exercise has assisted in the setting of the reserves policies. It is policy that the reserves be maintained at a level considered by the board to be sufficient to ensure funds are available to meet liabilities without borrowing. It is considered that the current level of reserves remains sufficient to meet this.

DIRECTORS

The directors/trustees during the year under review are set out on page 1.

ON BEHALF OF THE BOARD:

.....
W F Marriage - Director

Date: 20/07/06.....

**THE CHELMER CANAL TRUST
(LIMITED BY GUARANTEE)**

**CHARTERED ACCOUNTANTS' REPORT TO THE MEMBERS OF
THE CHELMER CANAL TRUST
(LIMITED BY GUARANTEE)
FOR THE YEAR ENDED 31ST MARCH 2006**

In accordance with our terms of engagement and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company for the year ended 31st March 2006 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the company's members as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's members that we have done so, and state those matters that we have agreed to state to them in this 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 work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England & Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the Balance Sheet as at 31st March 2006 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



HEW Goldwyns Limited
Chartered Accountants
90/92 Baxter Avenue
Southend-on-Sea
Essex SS2 6HZ

Dated: 

**THE CHELMER CANAL TRUST
(LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST MARCH 2006**

		Unrestricted Funds 2006 £	Restricted Funds 2006 £	Total Funds 2006 £	Total Funds 2005 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
<i>Voluntary income:</i>					
Donations and grants	2	2,736	2,000	4,736	56,367
<i>Activities for generating funds:</i>					
Book sales		251	-	251	247
<i>Investment income:</i>					
Bank interest		94	-	94	103
Total incoming resources		<u>3,081</u>	<u>2,000</u>	<u>5,081</u>	<u>56,717</u>
RESOURCES EXPENDED					
Costs of generating funds:					
Costs of generating voluntary income	3	545	-	545	1,754
Charitable activities	3	580	3,131	3,711	50,451
Governance costs	3	495	-	495	40
Other resources expended	3	<u>104</u>	<u>-</u>	<u>104</u>	<u>-</u>
Total resources expended		<u>1,724</u>	<u>3,131</u>	<u>4,855</u>	<u>52,245</u>
Net incoming resources before other recognised gains		1,357	(1,131)	226	4,472
Other recognised gains		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>1,357</u>	<u>(1,131)</u>	<u>226</u>	<u>4,472</u>
Reconciliation of funds					
Total funds at 1 April 2005		<u>6,689</u>	<u>3,931</u>	<u>10,620</u>	<u>6,148</u>
Total funds at 31 March 2006		<u>8,046</u>	<u>2,800</u>	<u>10,846</u>	<u>10,620</u>

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

The notes form part of these financial statements

**THE CHELMER CANAL TRUST
(LIMITED BY GUARANTEE)**

**BALANCE SHEET
31ST MARCH 2006**

	Notes	£	2006	£	2005	£
CURRENT ASSETS:						
Debtors	5	808		4,378		
Cash at bank and in hand		<u>11,154</u>		<u>10,654</u>		
		11,962		15,032		
CREDITORS:						
Amounts falling due within one year	6	<u>1,116</u>		<u>4,412</u>		
NET CURRENT ASSETS				10,846		10,620
NET ASSETS	7			<u>10,846</u>		<u>10,620</u>
UNRESTRICTED FUNDS						
General funds	8			8,046		6,689
Restricted funds	8			2,800		3,931
				<u>10,846</u>		<u>10,620</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31st March 2006.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st March 2006 in accordance with section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985; and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standards for Smaller Entities (effective January 2005).

ON BEHALF OF THE BOARD:

.....
W F Marriage - Director

Approved by the Board on 20/07/06

The notes form part of these financial statements

**THE CHELMER CANAL TRUST
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2006**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) issued in October 2005, applicable accounting standards and the Companies Act 1985.

Funding accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Income resources from grants, where related to performance and specific deliverables are accounted for as the charity earns the right to consideration by its performance.

Book sales are included as incoming resources within activities for generating funds when they are sold.

Investment income is included when receivable.

Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered and is reported as part of the expenditure to which it relates:

Costs of generating funds comprises the costs associated with attracting voluntary income and the costs of selling books.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include accountants fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.

**THE CHELMER CANAL TRUST
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2006**

2. DONATIONS AND GRANTS

	Unrestricted	Restricted	2006 Total	2005 Total
	£	£	£	£
Chelmsford Borough Council	-	-	-	5,393
Essex Environmental Trust	-	-	-	35,000
Environment Agency	-	-	-	13,500
Essex Wildlife Trust Limited	-	2,000	2,000	-
Donations	596	-	596	-
Subscriptions	2,140	-	2,140	1,979
	<u>2,736</u>	<u>2,000</u>	<u>4,736</u>	<u>56,367</u>

3. TOTAL RESOURCES EXPENDED

	Voluntary Income	Canal Maintenance	Governance	Other Resources	2006 Total	2005 Total
	£	£	£	£	£	£
Printing and stationery	190	-	-	-	190	449
Postage	228	-	-	-	228	360
Brochures	-	-	-	-	-	450
Subscriptions and donations	127	-	-	-	127	126
Weed clearance	-	3,281	-	-	3,281	44,569
Landing stages	-	25	-	-	25	5,393
Lock mechanisms	-	28	-	-	28	155
Insurance	-	377	-	-	377	334
Accountancy	-	-	400	-	400	-
Room hire	-	-	80	-	80	40
Reference documentation	-	-	15	-	15	-
Sundry	-	-	-	104	104	369
	<u>545</u>	<u>3,711</u>	<u>495</u>	<u>104</u>	<u>4,855</u>	<u>52,245</u>

Weed clearance includes £3,131 of restricted expenditure.

4. TAXATION

As a charity, the Chelmer Canal Trust is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or S256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

5. DEBTORS

	2006 Total	2005 Total
	£	£
Other debtors and prepayments	<u>808</u>	<u>4,378</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 Total	2005 Total
	£	£
Other creditors and accruals	<u>1,116</u>	<u>4,412</u>

**THE CHELMER CANAL TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2006**

7. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Funds £	Restricted Funds £	Total Funds £
Current assets	9,162	2,800	11,962
Current liabilities	(1,116)	-	(1,116)
	<u>8,046</u>	<u>2,800</u>	<u>10,846</u>

8. MOVEMENT IN FUNDS

	At 01.04.2005 £	Incoming Resources £	Outgoing Resources £	At 31.03.2006 £
Restricted funds:				
Weed clearance	3,931	2,000	3,131	2,800
Unrestricted funds:				
General funds	6,689	3,081	1,724	8,046
Total funds	<u>10,620</u>	<u>5,081</u>	<u>4,855</u>	<u>10,846</u>

Purpose of restricted funds:

Funds are restricted to expenditure on the removal of weed from the Chelmer Canal.

9. CONTROLLING PARTY

There is no ultimate controlling party.