

Registration number: 00539193

# INSTITUTE OF WATER

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2021



# **Institute of Water**

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## Institute of Water

### Company Information

<b>Directors</b>	I Barker L Cooper C R Taylor R Price S G Youell P Hickey E Barber S Venning C Fearon B Tam J Forrest J M Parker I McAulay R Shisler
<b>Company secretary</b>	L Cooper
<b>Registered office</b>	4 Carlton Court Fifth Avenue Team Valley Trading Estate Gateshead Tyne & Wear NE11 0AZ
<b>Solicitors</b>	Sintons LLP The Cube Barrack Road Newcastle NE4 6DB
<b>Bankers</b>	National Westminster Bank PLC 2nd Floor 1 Trinity Gardens Broadchare Quayside Newcastle upon Tyne NE1 2HF
<b>Auditor</b>	MHA Tait Walker Chartered Accountants & Statutory Auditor Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

## **Institute of Water**

### **Directors' Report for the Year Ended 31 December 2021**

The directors present their report and the financial statements for the year ended 31 December 2021.

#### **Directors of the company**

The directors who held office during the year were as follows:

I Barker  
L Cooper - Company secretary and director  
C R Taylor  
R Price  
S G Youell  
P Hickey  
E Barber  
S Venning  
C Fearon  
B Tam  
S Murray (resigned 22 September 2021)  
J Forrest  
J M Parker  
L Williams (resigned 22 September 2021)  
I McAulay  
R Shisler (appointed 22 September 2021)

#### **Principal activity**

The principal activity of the company is promoting the advancement of knowledge in its widest terms appertaining to the water industry.

#### **Going concern**

The financial statements have been prepared on a going concern basis.

The company meets its day to day working capital requirements through cash generated from operations. At the year end the company had net current assets of £530,315 including cash of £520,031 having made a loss before tax of £4,754. The company had no external borrowings and limited financial commitments.

The company's forecasts and projections for the next twelve months show that the company should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance and the potential impact on the business of possible future scenarios arising from the continuing impact of COVID-19.

Based on the factors set out above the directors believe that there is no material uncertainty in relation to going concern and that the company has adequate financial resources to continue in operational existence for at least twelve months from the date of signing the financial statements and therefore the directors believe it remains appropriate to prepare the financial statements on a going concern basis.

#### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

#### **Reappointment of auditors**

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of MHA Tait Walker as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

## Institute of Water

### Directors' Report for the Year Ended 31 December 2021 (continued)

#### Small companies provision statement

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

#### Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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.

Approved and authorised by the Board on 24/03/2022 ..... and signed on its behalf by:

*L Cooper*

Lynn Cooper 24 Mar 2022 10:12:18 GMT (UTC +0)

.....  
L Cooper  
Company secretary and director

## **Institute of Water**

### **Independent Auditor's Report to the Members of Institute of Water**

#### **Opinion**

We have audited the financial statements of Institute of Water (the 'company') for the year ended 31 December 2021, which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss 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.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Institute of Water**

### **Independent Auditor's Report to the Members of Institute of Water (continued)**

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

#### **Responsibilities of directors**

As explained more fully in the statement of directors responsibilities [set out on page 3], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## **Institute of Water**

### **Independent Auditor's Report to the Members of Institute of Water (continued)**

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

We have assessed the risk of material misstatement in respect of irregularities, including fraud. We have reviewed journal transactions, performed analytical review of the nominal data and undertaken transactional testing which has not identified any indication of fraud. Furthermore, we reviewed Board meeting minutes and held discussions with management who confirmed there had been no fraud identified during the year.

We discussed with management the policies and procedures regarding compliance with laws and regulations. We identified the following areas of laws and regulations that could reasonably be expected to have a material effect on the accounts: financial reporting legislation, health and safety and employment law. The audit procedures to identify non-compliance with laws and regulations, required by auditing standards, are limited to enquiry of the Directors and other management and inspection of regulatory and legal correspondence.

The COVID-19 working environment increases the inherent risk of fraud. During the audit there were no events or conditions identified that indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



## Institute of Water

### Independent Auditor's Report to the Members of Institute of Water (continued)

#### Use of our report

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 auditor's 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.



Simon Brown BA ACA DChA (Senior Statutory Auditor)  
For and on behalf of MHA Tait Walker  
Chartered Accountants  
Statutory Auditor  
Bulman House  
Regent Centre  
Gosforth  
Newcastle upon Tyne  
NE3 3LS

Date: 25/3/2022

MHA Tait Walker is a trading name of Tait Walker LLP.

## Institute of Water

### Income Statement for the Year Ended 31 December 2021

	Note	2021 £	2020 £
Turnover		396,494	286,798
Cost of sales		<u>(137,857)</u>	<u>(36,977)</u>
Gross surplus		258,637	249,821
Administrative expenses		(259,862)	(260,850)
Other operating income		<u>-</u>	<u>10,000</u>
Operating deficit		(1,225)	(1,029)
Interest payable and similar expenses		<u>(3,529)</u>	<u>(1,012)</u>
Deficit before tax		<u>(4,754)</u>	<u>(2,041)</u>
Deficit for the financial year		<u><u>(4,754)</u></u>	<u><u>(2,041)</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 11 to 15 form an integral part of these financial statements.

**Institute of Water****(Registration number: 00539193)****Statement of Financial Position as at 31 December 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	5	84,083	88,619
<b>Current assets</b>			
Debtors	6	59,484	85,841
Cash at bank and in hand		520,031	524,157
		<u>579,515</u>	<u>609,998</u>
<b>Creditors: Amounts falling due within one year</b>	7	<u>(49,200)</u>	<u>(79,465)</u>
<b>Net current assets</b>		<u>530,315</u>	<u>530,533</u>
<b>Net assets</b>		<u>614,398</u>	<u>619,152</u>
<b>Capital and reserves</b>			
Building maintenance reserve		-	4,157
Areas reserve		31,154	38,012
Profit and loss account		<u>583,244</u>	<u>576,983</u>
<b>Total equity</b>		<u>614,398</u>	<u>619,152</u>

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

25/03/2022

Approved and authorised by the Board on ..... and signed on its behalf by:

*B Taylor*

Bob Taylor 24 Mar 2022 12:09:04 GMT (UTC +0)

.....  
C R Taylor  
Director

*C Fearon*

Catherine Fearon 25 Mar 2022 10:04:07 GMT (UTC +0)

.....  
C Fearon  
Director

The notes on pages 11 to 15 form an integral part of these financial statements.

## Institute of Water

### Statement of Changes in Equity for the Year Ended 31 December 2021

	Area reserve	Building Maintenance Reserve	Profit and loss account	Total
	£	£	£	£
At 1 January 2020	23,919	8,316	588,958	621,193
Deficit for the year	-	-	(2,041)	(2,041)
Total comprehensive income	-	-	(2,041)	(2,041)
Transfers	14,093	(4,159)	(9,934)	-
At 31 December 2020	38,012	4,157	576,983	619,152

  

	Area reserve	Building Maintenance Reserve	Profit and loss account	Total
	£	£	£	£
At 1 January 2021	38,012	4,157	576,983	619,152
Deficit for the year	-	-	(4,754)	(4,754)
Total comprehensive income	-	-	(4,754)	(4,754)
Transfers	(6,858)	(4,157)	11,015	-
At 31 December 2021	31,154	-	583,244	614,398

The notes on pages 11 to 15 form an integral part of these financial statements.

## **Institute of Water**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **1 General information**

The company is a company limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

The address of its registered office is 4 Carlton Court, Fifth Avenue, Team Valley Trading Estate, Gateshead, Tyne & Wear, NE11 0AZ.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

These financial statements are prepared in sterling which is the functional currency of the entity.

##### **Going concern**

The financial statements have been prepared on a going concern basis.

The company meets its day to day working capital requirements through cash generated from operations. At the year end the company had net current assets of £530,315 including cash of £520,031 having made a loss before tax of £4,754. The company had no external borrowings and limited financial commitments.

The company's forecasts and projections for the next twelve months show that the company should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance and the potential impact on the business of possible future scenarios arising from the continuing impact of COVID-19.

Based on the factors set out above the directors believe that there is no material uncertainty in relation to going concern and that the company has adequate financial resources to continue in operational existence for at least twelve months from the date of signing the financial statements and therefore the directors believe it remains appropriate to prepare the financial statements on a going concern basis.

## **Institute of Water**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

#### **2 Accounting policies (continued)**

##### **Estimation uncertainty and judgements**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management have approved depreciation, prepayments, accruals and other cut-off adjustments. Whilst management believe that these estimates and judgements are accurate, there is every likelihood that they will not be exact.

These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### **Building Maintenance Reserve**

In recognition of potential future expenditure relating to maintenance of the company's leasehold property, the directors make an appropriate transfer from the accumulated profit and loss account to the building maintenance reserve, on an annual basis where necessary, estimated amounts in respect of such future expenditure. During 2018, a number of capital and revenue items were incurred. It is anticipated that the building maintenance reserve will be released to the profit and loss account reserve during 2019 - 2021 inclusive.

##### **Area event reserve**

In recognition of the surpluses made by the area events, the company has set a policy to recognise these surpluses within this reserve. Included in the current year are transfers totalling £6,858 from the area funds to the profit and loss reserve (2020: transfers totalling £14,093 from the profit and loss reserve to the area funds).

##### **Revenue recognition**

Turnover represents the value of subscriptions received together with the value of fees received in respect of events held.

Turnover in respect of:

events is recognised at the point when there is a right to the consideration;  
corporate membership is recognised as income on an invoice basis; and  
individual membership is recognised as income when there is certainty over receipt.

##### **Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grant will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the assets's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the assets's carrying amount.

Government grants included within other operating income includes a grant received from the Coronavirus Small Business Grant Fund during the Covid-19 pandemic.

##### **Tax**

The Institute of Water is only taxed on trading activities and not membership activities.

## **Institute of Water**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

#### **2 Accounting policies (continued)**

##### **Tangible assets**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

##### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Leasehold Property	over the term of the lease
Furniture, Fittings & Equipment	3 to 5 years straight line

##### **Investments**

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

##### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

##### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

## Institute of Water

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 2 Accounting policies (continued)

##### Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### 3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 5 (2020 - 4).

#### 4 Auditors' remuneration

	2021 £	2020 £
Audit of the financial statements	7,050	6,800
<b>Other fees to auditors</b>		
Taxation compliance services	575	550

#### 5 Tangible assets

	Land and buildings £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>			
At 1 January 2021	91,363	46,292	137,655
Additions	-	3,943	3,943
At 31 December 2021	91,363	50,235	141,598
<b>Depreciation</b>			
At 1 January 2021	18,282	30,754	49,036
Charge for the year	795	7,684	8,479
At 31 December 2021	19,077	38,438	57,515
<b>Carrying amount</b>			
At 31 December 2021	72,286	11,797	84,083
At 31 December 2020	73,081	15,538	88,619

Included within the net book value of land and buildings above is £72,286 (2020 - £73,081) in respect of freehold land and buildings.



## Institute of Water

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 6 Debtors

	2021 £	2020 £
Trade debtors	36,836	36,724
Prepayments	17,444	49,117
VAT recoverable	5,204	-
	<u>59,484</u>	<u>85,841</u>

#### 7 Creditors

##### Creditors: amounts falling due within one year

	2021 £	2020 £
<b>Due within one year</b>		
Trade creditors	4,137	25,845
Taxation and social security	2,784	4,584
Accruals and deferred income	41,842	48,246
Other creditors	437	790
	<u>49,200</u>	<u>79,465</u>

#### 8 Financial commitments, guarantees and contingencies

##### Amounts not provided for in the statement of financial position

The total amount of financial commitments not included in the statement of financial position is £3,621 (2020 - £6,317).

#### 9 Related party transactions

##### Directors' remuneration

The directors' remuneration for the year was as follows:

	2021 £	2020 £
Remuneration	54,718	54,338
Contributions paid to money purchase schemes	4,283	4,283
	<u>59,001</u>	<u>58,621</u>

#### 10 Parent and ultimate parent undertaking

The ultimate controlling party is the Board as a whole.