

**INSTITUTION OF WATER OFFICERS
FINANCIAL STATEMENTS
31ST DECEMBER 2000**

Company Registration Number 539193



INSTITUTION OF WATER OFFICERS

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2000

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INSTITUTION OF WATER OFFICERS
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

A.C. Swift
J. Stein
T.E. Boldero
K.J. North
A.J. Harding
J.M.P. Butcher
F.J. Davis
J. Kelly
R.E. Partridge
B. Short
H. Broadhurst
B. Duckworth
P. Roberts
M.D. Walsh
K.E. McDowell
G.D. Baggaley
R.P.A. Siaens

Company secretary

L. Harding

Registered office

4 Carlton Court
Team Valley
Gateshead
Tyne & Wear
NE11 0AZ

Auditors

Tait Walker
Chartered Accountants
& Registered Auditors
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Bankers

National Westminster Bank plc
40 King Street
South Shields
Tyne & Wear
NE33 1HF

Solicitors

Sinton & Co.
5 Osborne Terrace
Jesmond
Newcastle upon Tyne
NE2 1SQ

INSTITUTION OF WATER OFFICERS

THE DIRECTORS' REPORT

YEAR ENDED 31ST DECEMBER 2000

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st December 2000.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year continued to be that of promoting the advancement of technical and administrative knowledge in its widest terms appertaining to the water industry.

DIRECTORS

The directors who served the company during the year were as follows:

A.C. Swift
J. Stein
T.E. Boldero
K.J. North
A.J. Harding
R.S. Hodge
J.M.P. Butcher
F.J. Davis
J. Kelly
R.E. Partridge
B. Short
H. Broadhurst
B. Duckworth
P. Roberts
M.D. Walsh
K.E. McDowell
G.D. Baggaley
R.P.A. Siaens

G.D. Baggaley was appointed as a director on 11th May 2000.

R.P.A. Siaens was appointed as a director on 11th May 2000.

R.S. Hodge resigned as a director on 11th May 2000.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the surplus or deficiency for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

INSTITUTION OF WATER OFFICERS

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST DECEMBER 2000

DIRECTORS' RESPONSIBILITIES *(continued)*

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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.

AUDITORS

A resolution to re-appoint Tait Walker as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed on behalf of the directors

Lyn Harding

L. Harding
Company Secretary

Approved by the directors on 27th MAR 01

INSTITUTION OF WATER OFFICERS

AUDITORS' REPORT TO THE MEMBERS

YEAR ENDED 31ST DECEMBER 2000

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on pages 2 to 3, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.


We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2000 and of the deficit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

30th March 2001
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TAIT WALKER
Chartered Accountants
& Registered Auditors

INSTITUTION OF WATER OFFICERS
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31ST DECEMBER 2000

	Note	2000 £	1999 £
TURNOVER		160,703	311,775
Cost of sales		(59,043)	(110,734)
GROSS SURPLUS		101,660	201,041
Administrative expenses		(165,004)	(165,521)
Other operating income		17,837	29,195
OPERATING (DEFICIENCY)/SURPLUS	2	(45,507)	64,715
Loss on disposal of fixed assets	3	-	(736)
		(45,507)	63,979
Interest receivable	4	7,334	4,009
Interest payable		(1,534)	(197)
(DEFICIENCY)/SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		(39,707)	67,791
Tax on (deficit)/surplus on ordinary activities	5	1,084	514
(DEFICIENCY)/SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION		(38,623)	68,305
(DEFICIENCY)/RETAINED SURPLUS FOR THE FINANCIAL YEAR		(38,623)	68,305

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

All of the activities of the company are classed as continuing.

The notes on pages 7 to 11 form part of these financial statements.

INSTITUTION OF WATER OFFICERS


BALANCE SHEET


31ST DECEMBER 2000

	Note	2000	1999
		£	£
FIXED ASSETS			
Tangible assets	6	94,081	86,293
Investments	7	40,000	40,000
		<u>134,081</u>	<u>126,293</u>
CURRENT ASSETS			
Debtors	8	48,108	132,468
Cash at bank		376,743	239,596
		<u>424,851</u>	<u>372,064</u>
CREDITORS: Amounts falling due within one year	9	<u>(272,276)</u>	<u>(173,078)</u>
NET CURRENT ASSETS		<u>152,575</u>	<u>198,986</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>286,656</u>	<u>325,279</u>
RESERVES	12		
Other reserves	13	29,138	31,816
Income and Expenditure Account	14	257,518	293,463
MEMBERS' FUNDS		<u>286,656</u>	<u>325,279</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 17th May 2001, and are signed on their behalf by:


J. Stein
Director


A.C. Swift
Director

The notes on pages 7 to 11 form part of these financial statements.

INSTITUTION OF WATER OFFICERS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2000

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the Income and Expenditure Account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property - 115 years straight line
Furniture, Fittings & Equipment - 20% straight line

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight line basis over the period of the lease.

Pension costs

The company contributes to certain employees personal pension schemes, the assets of which are held in separately administered funds.

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 income and expenditure account to the Building Maintenance Reserve, on an annual basis, estimated amounts in respect of such future expenditure.

2. OPERATING (DEFICIT)/SURPLUS

Operating (deficit)/surplus is stated after charging:

	2000	1999
	£	£
Directors' emoluments	-	-
Depreciation	3,043	3,641
Auditors' fees	3,960	3,825
Operating lease costs:		
Plant and equipment	<u>5,671</u>	<u>5,374</u>

INSTITUTION OF WATER OFFICERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2000

3. LOSS ON DISPOSAL OF FIXED ASSETS

	2000 £	1999 £
Loss on disposal of fixed assets	<u>-</u>	<u>(736)</u>

The loss above of £Nil (1999 £736) relates to furniture, fittings and equipment disposed of during the year.

4. INTEREST RECEIVABLE

	2000 £	1999 £
Bank interest receivable	7,300	4,009
Interest received from inland revenue	<u>34</u>	<u>-</u>
	<u>7,334</u>	<u>4,009</u>

5. TAX ON SURPLUS OR DEFICIT ON ORDINARY ACTIVITIES

	2000 £	1999 £
Corporation Tax	-	-
Adjustment in respect of previous years:		
Corporation Tax	<u>(1,084)</u>	<u>(514)</u>
	<u>(1,084)</u>	<u>(514)</u>

6. TANGIBLE FIXED ASSETS

	Leasehold Property £	Furniture, Fittings & Equipment £	Total £
COST			
At 1st January 2000	82,142	39,098	121,240
Additions	<u>9,221</u>	<u>1,610</u>	<u>10,831</u>
At 31st December 2000	<u>91,363</u>	<u>40,708</u>	<u>132,071</u>
DEPRECIATION			
At 1st January 2000	1,428	33,519	34,947
Charge for the year	<u>954</u>	<u>2,089</u>	<u>3,043</u>
At 31st December 2000	<u>2,382</u>	<u>35,608</u>	<u>37,990</u>
NET BOOK VALUE			
At 31st December 2000	<u>88,981</u>	<u>5,100</u>	<u>94,081</u>
At 31st December 1999	<u>80,714</u>	<u>5,579</u>	<u>86,293</u>

INSTITUTION OF WATER OFFICERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2000

7. INVESTMENTS

	Eurocom (U.K.) Limited
	£
COST	
At 1st January 2000 and 31st December 2000	<u>40,000</u>
NET BOOK VALUE	
At 31st December 2000	<u>40,000</u>
At 31st December 1999	<u>40,000</u>

The above company is dormant, unlisted and, incorporated in England and Wales. The Institution of Water Officers wholly owns 40,000 ordinary shares of £1 each in Eurocom (U.K.) Limited.

The aggregate capital and reserves of Eurocom (U.K.) Limited at 31st December 2000 are £44,217. The results for the year ended on this date was £Nil and the aggregate total of the investment under the equity method was £44,217.

8. DEBTORS

	2000	1999
	£	£
Trade debtors	35,966	30,379
Other debtors	4,180	-
Prepayments and accrued income	7,962	102,089
	<u>48,108</u>	<u>132,468</u>

9. CREDITORS: Amounts falling due within one year

	2000	1999
	£	£
Bank loans and overdrafts	150,000	90,000
Trade creditors	5,628	6,736
Amounts owed to related undertakings	44,217	44,217
Other creditors including taxation:		
PAYE and social security	-	1,664
VAT	<u>12,070</u>	<u>1,975</u>
	12,070	3,639
Accruals and deferred income	<u>60,361</u>	<u>28,486</u>
	<u>272,276</u>	<u>173,078</u>

10. PENSIONS

The company contributes to certain employees personal pension schemes, the assets of which are held in separately administered funds. The pension cost charge represents contributions payable by the company and amounted to £2,222 (1999 £1,266).

INSTITUTION OF WATER OFFICERS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2000

11. COMMITMENTS UNDER OPERATING LEASES

At 31st December 2000 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets Other Than Land & Buildings	
	2000	1999
	£	£
Operating leases which expire:		
Within 1 year	-	2,396
Within 2 to 5 years	5,464	2,744
	<u>5,464</u>	<u>5,140</u>

12. COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee and its governing document is its Memorandum and Articles of Association.

The directors hold no shares in the company but each director, as a member, is a guarantor of the company, to an amount not exceeding £1, in the event of the winding up of the company.

13. OTHER RESERVES

	2000	1999
	£	£
Building Maintenance Reserve:		
Balance brought forward	31,816	-
Transfer (to)/from the Income and Expenditure Account	(2,678)	22,250
Transfer of opening balance	-	9,566
	<u>29,138</u>	<u>31,816</u>

14. INCOME AND EXPENDITURE ACCOUNT

	2000	1999
	£	£
Balance brought forward	293,463	247,408
Retained (deficit)/surplus for the financial year	(38,623)	68,305
Transfer from/(to) building maintenance reserve	2,678	(22,250)
Balance carried forward	<u>257,518</u>	<u>293,463</u>

INSTITUTION OF WATER OFFICERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2000

15. MOVEMENT ON COMPANY RESERVES

	At 1st January 2000 £	Surplus / (Deficit) £	At 31st December 2000 £
National Funds			
General	223,104	(50,498)	172,606
Founders' Fund	10	-	10
	<u>223,114</u>	<u>(50,498)</u>	<u>172,616</u>
Area Funds			
Northern Ireland	4,475	(201)	4,274
South Eastern	5,821	1,293	7,114
South Western	4,084	2,450	6,534
Midlands	6,904	1,096	8,000
North Wales and Cheshire	10,311	(228)	10,083
South Wales	13,291	(3,072)	10,219
Eastern	22,669	17,208	39,877
Northern	18,268	(4,380)	13,888
Scotland	16,342	(2,291)	14,051
	<u>102,165</u>	<u>11,875</u>	<u>114,040</u>
	<u>325,279</u>	<u>(38,623)</u>	<u>286,656</u>