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Annual Report & Accounts
2002



Bournemouth & West Hampshire
WATER

Financial Highlights/Calendar

Highlights

	2002 £ million	2001* £ million
Turnover	29.9	32.4
Profit before tax	6.8	5.6
Profit after tax	5.3	3.7
Profit attributable to ordinary shareholders	3.2	1.5
Earnings per ordinary share (basic & fully diluted)	14.0p	6.7p
Dividend per ordinary share	5.7p	4.75p
Tangible fixed assets	93.6	88.3
Capital employed	65.0	63.1
Gearing	32%	29%

*the comparatives have been restated to reflect the implementation of FRS19-Deferred Tax.

Calendar

Annual General Meeting	26 July 2002
Ordinary dividend payable	9 August 2002
Record date for preference share dividend	6 September 2002
Preference share dividend payable	1 October 2002
Announcement of Interim Report	November 2002

Board of Directors

J W Green OBE†, Chairman

A Chartered Civil Engineer with 25 years experience in the water industry. Formerly Group Technical Director of Anglian Water Plc and Managing Director of Anglian Water Services Limited. Chairman of the Water Services Association in 1997/98. Currently Chief Executive of the David Webster Group of Companies.

N B E Beale†, Non-Executive Director

A retail professional and a prominent local businessman. Deputy Chairman of Beale PLC, which operates a chain of department stores in Bournemouth and many other UK locations. A former senior Deputy Chairman of the British Retail Consortium. He is a Governor of Bournemouth University and of the Arts Institute of Bournemouth.

J S Cox†, Non-Executive Director

A Chartered Accountant who is currently a Director of Moores Rowland International. Prior to that he was a partner in Moores Rowland with responsibility for corporate finance and audit work.

T J R Kirkhope†, Non-Executive Director

A Solicitor by profession. He was a Member of Parliament for ten years up to 1997 and during that time a Minister for several years including Under Secretary of State at the Home Office between 1995 and 1997. In June 1999 he was elected a Member of the European Parliament.

D O Lloyd OBE*, Non-Executive Director

Chairman and Chief Executive of Cascal B.V.. His former appointments include being a non-executive Director of Mid Kent Holdings Plc and executive Chairman of Halcrow Holdings Limited.

A R F Cooke, Managing Director

An Economist by background with extensive UK and international general management experience.

A J D Ferrar, Finance Director and Company Secretary

A Chartered Management Accountant and Chartered Secretary, who spent ten years with the Biwater Group in the UK and overseas operations, prior to his appointment to the Board.

R I Harrington, Technical Director

A Chartered Civil Engineer who has wide experience in the water industry in operational, engineering and general management roles.

Chairman's Statement

The strong performance reported at the half year has been maintained.

In particular, profit before tax in our regulated water business at £7.5 million is 10% higher than last year. This in part reflects our ongoing drive for higher efficiency achieved through cost reduction. Additionally, we have not incurred exceptional costs which depressed last year's figures. Capital expenditure during the year in the regulated business amounted to £11 million which is broadly in line with our five year plan.

Our continuing enterprise businesses have also performed well achieving a profit before tax of £0.3 million.

Despite absorbing some £0.9 million in Airmec operating losses and losses on disposal our overall profit before tax was £6.8 million or 22% above last year's level of £5.6 million. Our results reflect the introduction of FRS19 (Deferred Tax) on a discounted basis.

A final ordinary dividend of 3.25p per share is to be paid in August 2002 in addition to the interim dividend of 2.45p paid last December. Preference dividends totalling £2.1 million were paid in October 2001 and April 2002.

Quality and service standards in the regulated business have been maintained at high levels. We are on target to meet the outputs implicit in our price limits set at the last price review. Following our successful request to Ofwat for an interim review of our price limits these are now above RPI for the next three years.

We are optimistic about the future and confident in our ability to deliver quality and value to our customers and shareholders. Our skilled and dedicated staff remain committed to these objectives and I thank them all for their continuing achievements and efforts.



John Green OBE

Chairman

31 May 2002

Managing Director's Review

Economic Regulation

Despite a positive outcome to our interim price review, delivery of our targets remains challenging. We are on track so far but future efficiency gains will be increasingly difficult to achieve. We are hopeful that the next price review in 2004, for which we are already preparing, will recognise the longer-term needs of our business.

Water Quality

Compliance levels for 2001 were 99.8%, which was marginally below our 2000 performance of 99.9%. This is attributable to nitrite exceedance, which the Drinking Water Inspectorate regards as trivial. The nitrite standard will be relaxed from 2003. Cryptosporidium monitoring which was the subject of our interim price review is being maintained at six locations. Cryptosporidium barriers are being installed at two works as funded in the 1999 final determination.

Resources and Security of Supply

No resource difficulties were encountered during the year. Our scheme to alleviate low flows on the River Allen is on track for completion by March 2003. The first of the lakes at our Longham site will be available for use from spring 2003. The design of the scheme to link the lakes to Christchurch where we have a potential resource deficit is being finalised. This link will be completed by 2005. We are in discussion with the environmental regulators about water storage at our Ibsley site. This may be particularly relevant to environmental concerns over River Avon flows.

Demand Management, Metering and Water Efficiency

Average demand continues to decline. This reflects our active promotion of metering and water efficiency initiatives. Domestic meter penetration at year-end was 22%. Legislation which restricts zonal metering is impeding achievement of our metering targets. We have enhanced our package to assist customers with supply pipe leaks.

Leakage

Ofwat have accepted our economic level of leakage calculations. We met our leakage target of 22.4 MI/d for 2001/02. Our target for 2002/03 is 22.2 MI/d. We continue to enhance network monitoring and control to meet industry best practice standards in this area.

Water Charges

Our interim price determination means our price limits until 2004/05 will be positive in real terms. The average bill in 2002/03 is £101 compared with £100 for the previous year.

We actively promote the availability of social metered tariffs for vulnerable groups.

Managing Director's Review

Investment Programme

Our investment programme amounts to almost £50 million over the current five year price review period. During the year capital investment amounted to £11.1 million. On a cumulative basis capital investment is below the levels expected but this is primarily a timing and efficiency issue. There has been no slippage in outputs during this period.

Principal investment activity during the year related to:

Infrastructure renewals.....	£1.0 million
Capital maintenance (non-infrastructure).....	£3.2 million
Supply/demand balance.....	£1.4 million
Enhanced service levels & quality improvements.....	£3.7 million
Vehicles/IT.....	£0.8 million
Non-regulated activities.....	£0.1 million

Customer Service

All measures of customer service achieved Ofwat's highest classification except for properties at risk of low pressure under the DG2 indicator.

Further progress in reducing properties at risk was made during the year with 239 being removed from the register leaving 2,210 remaining. Ofwat allowed funding for the removal of 1,900 properties from the register by 2004/05.

We continue to work constructively with WaterVoice Wessex (previously known as the Wessex Region Ofwat Customer Services Committee) and our own Customer Consultative Group to develop services, which meet customers' needs and expectations. We provide information to our customers through a wide range of means including our popular customer newsletter 'Water Matters'.

We published an enhanced 'Business Customer Charter' setting out our commitment to non-household customers and guaranteeing certain standards of service with compensation payment if we fail.

Competition

We support competition where it benefits all customers.

We are developing services for our customers which we believe will in any event make us the supplier of choice should the competitive market develop.

Government guidance on the scope of competition confining it to larger users is a helpful development. We have developed codes for both network access and self-lay of infrastructure. We have had no formal requests for network access. The Royal Bournemouth Hospital has developed its own borehole source and we expect to conclude a back-up supply agreement shortly.

Managing Director's Review

Efficiency and Continuous Improvement

We continue to strive for greater efficiency and continuous improvement in all we do. Our mobile working project will shortly be implemented and savings will start to be realised during 2002/03. This is a system whereby staff in the field have direct remote access to network records, customer information and are given work through the job management system.

Our unit operating costs for 2000/01 were the fourth lowest in the industry.

We will shortly seek accreditation to ISO 9001/2000, which will supersede our current ISO 9001 quality assurance system.

Environment

We report annually against our environmental improvement targets in accordance with the requirements of our ISO 14001 accreditation. In addition we contribute to the water industry's overall annual sustainability indicators report.

We are working very closely with all our environmental stakeholders both in delivery of our current targets and obligations and in developing forward plans. This is particularly important in the context of the sensitive nature of our area of supply. Also we need to be mindful of the requirements of the Habitats and Water Framework directives and the Catchment Abstraction Management Strategy programme. These factors are likely to have a considerable bearing on our future plans.

Non Regulated Activities

Following our strategic review we disposed of the Airmec business in September 2001. Our continuing non-regulated businesses are developing successfully. These businesses include Aqua Care (home emergency insurance, plumbing and drainage services and boiler maintenance), The Royalty Fishery and Moorings, and Get Set (design, typesetting and print management services).

We have ambitious growth plans for all these activities, which have clear synergy with our regulated water supply business.

Managing Director's Review

Community and Education

We continue to work in partnership with the community we serve and support many local initiatives against clearly defined criteria. In particular we target local schools to inform and influence our customers of tomorrow. Our staff raised almost £1,000 for non WaterAid charities during the year through a wide variety of activities.

WaterAid

During the year our customers donated the equivalent of £4,000 per year to WaterAid in covenanted payments. Our staff raised funds amounting to over £2,000 while Company support through sponsorship and donations was £3,000. For the first time the Company sent electronic Christmas cards and donated the money saved on paper cards and postage directly to WaterAid.

Employees

During the year our staff have again demonstrated their skill, dedication and resourcefulness in delivering excellent services to customers and a good financial performance. Our enhanced staff suggestion scheme has delivered win-win ideas. Our incentive plan, which distributes a share of above budget profits to participating staff, has proved to be a key spur to higher performance. This scheme has been enhanced for 2002/03 further reinforcing the link between pay and results both in financial terms and customer service levels.

During the year we successfully renewed our Investor in People accreditation. All staff have clear targets which link transparently to our Corporate Strategic Plan.

A handwritten signature in black ink that reads "Tony Cooke". The signature is written in a cursive style with a long horizontal line extending from the end of the name.

Tony Cooke
Managing Director
31 May 2002

Financial Review

Regulated Business

Our regulated business turnover for the year has increased slightly to £26.8 million reflecting the tariff increase of 1.5%. The impact of additional income from new properties was generally negated by lower overall demand. The metering programme has again resulted in a transfer of turnover from unmeasured to measured. The total number of properties on charge increased from 182,200 to 183,000 during the year.

Our interim determination has resulted in prices being set at a level averaging 0.5% above inflation for the three year period commencing on 1 April 2002.

Operating costs (excluding depreciation charges and exceptional items) in the regulated business have reduced by £0.2 million to £14 million. Depreciation charges have increased by 14% to £4.4 million as a result of the extensive capital programme.

In summary, operating profit has increased by 10% to £7.5 million.

Non-Regulated Business

Our non-regulated business (continuing operations) turnover has increased to £2.3 million reflecting growth in Aqua Care (plumbing services and home emergency insurance) activity, but lower turnover in Get Set (design and print management services). The non-regulated operating costs reduced by 3% to £1.9 million resulting in an operating profit of £0.3 million.

Following the strategic review of the business, Airmec was sold to The Casella Group Limited on 25 September 2001. Trading losses were incurred during the year of £0.6 million and a loss on disposal of £0.3 million. Airmec's results are included under discontinued operations. The prior year discontinued business also includes the Nelspruit concession and Graphis.

Group Operating Results

With reduced non-regulated business, turnover has reduced to £29.9 million. The regulated business accounted for 90% of turnover whilst non-regulated business provided 10%.

Total operating profit has increased from 21% to 27% of turnover. This increase is largely due to the improved regulated business performance and the non-recurring costs in the prior year.

Net Interest Payable

Net interest payable has reduced by 5% to £1.0 million which is largely a result of the lower interest rates although net debt has increased by £2.4 million during the year. Interest is covered 8 times.

Taxation

FRS19 (Deferred Tax) has been implemented during the year on a discounted basis. Prior year figures have been restated. The impact has been to reduce opening reserves by £4.6 million and to increase the tax charge for the current year by £0.5 million. The effective rate for the year is 29% reflecting the impact of the provision for deferred tax. This is reduced to an overall tax rate of 22% by adjustments to corporation tax provisions in respect of prior periods.

Shareholders' Returns

Profit before tax increased by 22% to £6.8 million. The profit attributable to shareholders increased by 46% to £5.3 million. An interim dividend of 2.45p per ordinary share was paid on 7 December 2001. A final dividend of 3.25p per

ordinary share will be paid on 9 August 2002, bringing the total for the year to 5.7p per ordinary share. Preference share dividends totalling 8.5p were paid during the year on their due dates. Dividend cover, including preference share dividends, has increased to 1.5 times. Ordinary dividends were covered 2.5 times. The retained profit for the year was £1.9 million.

Capital Investment

Capital expenditure additions during the year amounted to £11.1 million (regulated business £11.0 million; non-regulated business £0.1 million) compared with £7.6 million in the previous year.

Cashflows

The cash position of the Group increased by £0.5 million during the year. Cashflow generated from operations reduced to £11.8 million from £13.4 million largely due to movements in working capital. Additions to fixed assets before contributions increased to £10.3 million from £8.4 million. Equity dividends paid in the year were slightly lower at £1.1 million. The net inflow from financing is explained below. A detailed cashflow is shown on page 20 of the accounts. The gearing ratio has increased from 29% to 32%.

Financing

A loan agreement of £7.5 million with Bank of Ireland was signed in December 2001. £4 million was drawn down by 31 March 2002, and the remainder will be utilised in 2002/03. Interest is based on LIBOR rates up to six months in duration. The Brown Shipley loan facility of £9 million has been extended to May 2003. A short-term loan of £0.5 million from Lloyds TSB Bank Plc, which was outstanding at 31 March 2001, was repaid during April 2001. Repayments of lease capital totalling £0.5 million were made during the year. The outstanding liability on the lease facilities at 31 March 2002 was £8.4 million. Total net debt increased during the year by £2.4 million to £20.5 million. Additional facilities are being discussed and will be available when required.

Financial Instruments

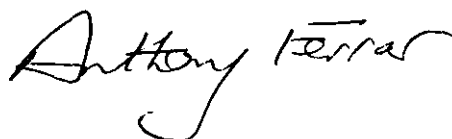
The Group generally sources borrowings, to fund its capital expenditure programme on a variable rate basis, but will consider fixing its commitment to manage the risk if the market conditions indicate that a fixed rate is beneficial. Further details on the Group's financial instruments are shown in note 18 on pages 32 and 33.

FRS 17 (Retirement Benefits)

The information required by the disclosure provisions of FRS17 is given in note 26 to the accounts. The funding position of the Group's pension scheme on an FRS17 valuation shows that, net of deferred tax, assets exceed liabilities by £3.7 million.

FRS18 (Accounting Policies)

The Group has implemented FRS18 during the year with no significant changes to the accounting policies applied.



Anthony Ferrar
Finance Director
31 May 2002

Company Information

Registered Office

George Jessel House, Francis Avenue, Bournemouth, Dorset BH11 8NB.

Telephone: 01202 591111 Facsimile: 01202 597022

Registered in England – 2924312

Auditors – PricewaterhouseCoopers, 30 Channel Way, Southampton, Hampshire.

Bankers – Lloyds TSB Bank Plc, City Office, Monument Street, London.

Stockbrokers – Collins Stewart Ltd, 9th Floor, 88 Wood Street, London.

Registrars – Lloyds TSB Registrars, The Causeway, Worthing, West Sussex.

George Jessel House	Facts & figures		2002
	Area of Supply		1,041 km ²
	Population		432,500
	Length of Mains		2,727 km
	Average Daily Output		154 MI
	Peak Day Demand		200 MI
	Number of Properties Served		186,000

MI = megalitre (a million litres or 220,000 gallons)

Directors' Report

THE DIRECTORS HAVE PLEASURE IN PRESENTING THEIR REPORT AND THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2002

Principal Activities and Business Review

The Company is principally a water supplier operating under an Instrument of Appointment granted by the Secretary of State for the Environment under the Water Industry Act 1991. Water is supplied to an estimated resident population of 432,500 in an area of 1,041 square kilometres through a mains network of 2,727 kilometres. The area of supply is shown on page 10 of this report.

A review of operations for the year, with comments on the financial results and future developments is given in the Managing Director's Review and the Financial Review on pages 4 to 9.

Directors

The names of the present Directors of the Company are shown on page 2. Mr D O Lloyd was appointed to the Board on 21 September 2001 and served on the Board for the remainder of the financial year.

All other Directors featured on page 2 served on the Board throughout the financial year. Under article 92 Mr Lloyd offers himself for re-election.

Article 86(A) requires that each Director must retire not later than the third Annual General Meeting following his last appointment or re-appointment in a general meeting. In any event, at every Annual General Meeting, a minimum of one third of Directors must retire, and that number includes any Directors retiring under this article.

The Directors retiring by rotation are Mr J S Cox and Mr T J R Kirkhope, who being eligible, offer themselves for re-election.

Results and Dividends

The result for the year was a profit before taxation of £6.8 million. The profit and loss account is shown on page 18.

The Directors propose to pay a final dividend of 3.25 pence per ordinary share on 9 August 2002. This is in addition to the interim dividend of 2.45 pence per share paid on 7 December 2001, making the total ordinary dividend 5.7 pence per share for the year.

Substantial Shareholdings

The ordinary share capital is 100% owned by Cascad Services Limited (formerly Biwater Capital Investments Limited).

Donations

During the year the Company made charitable donations of £1,840 and sponsorship payments of £3,638. No donations were made for any political purposes during the year.

Employment of Disabled Persons

The Company gives every consideration to applications for employment from disabled persons, where the requirements of the job may be adequately covered by a handicapped or disabled person. Employees who become disabled during employment are given continued employment where possible and opportunities for training and career development are provided for all disabled employees.

Employee Involvement

Direct communication with employees is maintained through the Company in-house newsletter and team briefings and there are regular features on different aspects of the Company to help develop the employees' awareness of the business. Consultative arrangements are in place to ensure effective communication with employee representatives. A review of the Company's financial position is communicated monthly.

Good employee communication is given a high priority in order to involve employees in the affairs of the business.

Directors' Report

Environment

The environment is central to the Company's business. The Board is aware of its obligations and the Company will strive for continuous improvements in performance, the conservation of resources and the adoption of best practices with an overall aim towards sustainable development where it is in stakeholders' interests. Details of current environmental issues are included in the Managing Director's Review on page 6.

Health and Safety

The Board is aware of and accepts its role providing leadership in health and safety. Board decisions reflect its health and safety intentions as set down in health and safety policy. The management of health and safety issues operates in the context of the policy and a system of internal control. Information, instruction, training, supervision and audit are provided as appropriate. In addition the Company provides occupational health, safety and welfare advisory services to employees. Consultation with and active participation of staff in improving performance takes place formally through the health and safety committee which is chaired by the Technical Director.

Payments to Suppliers

The Company's normal payment terms are to pay approved invoices in accordance with terms agreed with suppliers. The number of suppliers' days outstanding at the period end was 39 days (2001 35 days).

In 2002/03 the Company will continue to abide by the payment terms contained in its purchase orders or contracts if applicable, whenever it is satisfied that the supplier has provided the goods and services in accordance with the agreed terms and conditions.

Auditors

PricewaterhouseCoopers have expressed their willingness to continue in office and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

Corporate Governance

The Company's compliance with the Combined Code is reported on pages 13 to 15.



By order of the Board

A J D Ferrar

Secretary

31 May 2002

Corporate Governance

The Group is committed to high standards of corporate governance and supports the principles set out in the Combined Code on Corporate Governance.

The Board

The Board of Bournemouth and West Hampshire Water Plc comprises eight directors of whom five are non-executive. The Board, which meets six times a year, is responsible for the Group's long-term goals and strategy and provides overall financial and organisational control. The Board retains full and effective control over the Group and monitors the executive management.

The roles of Chairman and Managing Director are separated and clearly defined.

The non-executive Directors do not have service contracts with the Group. The senior independent non-executive member of the Board is John Green.

All non-executive Directors are independent non-executive Directors as defined in the Combined Code except for David Lloyd who is the Chairman and Chief Executive of Cascal B.V., the Group's ultimate parent undertaking. Biographical notes of all Directors are included on page 2.

Non-executive Directors are initially appointed for a three year term after which their appointment may be extended upon mutual agreement. In accordance with the Company's Articles of Association, every Director is submitted for re-election every three years.

All Directors have access to the advice and services of the Company Secretary and the Board has established a procedure whereby Directors, wishing to do so in furtherance of their duties, may take independent professional advice at the Company's expense. The Company Secretary is also charged with ensuring that all new Board members are properly equipped to fulfil their duties and responsibilities. As part of this process, new non-executive Directors are encouraged to meet the executive Directors individually and engage in a programme of visits to all areas of the Group.

Board Committees

The Board maintains three standing committees, all of which operate within written terms of reference. Their minutes are circulated for review and consideration to all Directors and supplemented by oral reports from the Committee Chairmen.

Audit Committee

The Audit Committee which comprises John Cox, Nigel Beale and Timothy Kirkhope, normally meets twice a year under the Chairmanship of John Cox. The Managing Director, Finance Director and senior representatives from the internal and external auditors also attend the meetings.

Its prime tasks are to review the scope of the external and internal audits, to receive reports from the external and internal auditors and to review the half yearly and annual accounts before they are presented to the Board. The Committee also reviews the effectiveness of the Group's internal controls and risk management systems and processes.

Remuneration Committee

The Remuneration Committee comprises the five non-executive Directors under the Chairmanship of Timothy Kirkhope.

The Committee, which normally meets twice a year, recommends to the Board the Group's policy on executive Director remuneration. This includes determining the appropriate proportion of executive Directors' remuneration that should be linked to corporate and individual performance. Further details of the remuneration policy can be found in the Remuneration Report on page 16.

Nominations Committee

The Nominations Committee comprises the four independent non-executive Directors. The Committee meets when necessary and will normally meet at least once in each year. The Committee's primary function is to make recommendations to the Board on all new appointments and also to advise generally on issues relating to Board composition and balance.

Corporate Governance

Internal Control

The Directors are responsible for the Group's system of internal control. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group. The process has been in place for the year under review and up to the date of the annual report and financial statements and accords with the Turnbull Guidance.

The key components that have been established to provide effective internal control are:-

Control Environment and Procedures

The Group has an organisational structure with clearly defined responsibilities and limits of authority. Financial controls and procedures including information systems are contained in detailed procedure manuals. In particular there are clearly defined policies for capital expenditure including appropriate authorisation levels. The executive Directors approve budgeted capital expenditure below £250,000. All capital expenditure above £250,000 and unbudgeted capital expenditure that cannot be accommodated within the annual budget, must be approved by the Board.

Financial Reporting

The Group has a comprehensive system of financial reporting. A three-year corporate plan including the annual budget is approved by the Board. Monthly trading results and cashflow statements are reported against the previous year figures and budget with any variances explained and action taken when appropriate. Every quarter the forecast for the full year is reviewed and updated.

Risk Management

The Board's strategy is to follow a prudent risk policy which manages exposures where appropriate. The identification of major business risks is carried out in conjunction with operating management and appropriate steps are taken to monitor and mitigate risks. The Board has reviewed its strategy and fully integrated the risk process into the business management planning process. All risk information has been consolidated and allocated to specific sections within the Company. The process has been externally assessed by risk management specialists who concluded that it was sound and relevant to the business.

As a result of the events of 11 September 2001 the Board reviewed its security status and has tightened its procedures on key sites in response to Government advice.

Monitoring Systems

The control system is monitored by an internal audit function and a management team, chaired by the Managing Director, on behalf of the Board. They review the systems and procedures in all aspects of the Group's business with particular focus on the areas of greatest risk to the Group. The Audit Committee reviews the report from the internal audit function, all control points raised by the external auditors and approves the annual internal audit programme. During the year the internal audit function has been reviewed to ensure its work programme is aligned and integrated into the risk management process.

The Audit Committee reports annually to the Board on the risk analysis and recommendations are reviewed and approved by the Board. The Board has reviewed the effectiveness of the system of internal control for the year under review.

Corporate Governance

Compliance Statement

The Group has complied throughout the year with the detailed provisions set out in the Combined Code except for the matter detailed below. The reference in brackets relates to the specific provision of the Combined Code. The composition of the Remuneration Committee from 1 February 2002 to 31 March 2002 included David Lloyd who is also a Director of Cascad B.V., the Group's ultimate parent undertaking. The Board considered that this did not result in a conflict of interest given his extensive experience in the water industry which is considered to be appropriate in the conduct of the Committee (B2.1).

Going Concern

The Directors consider that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Directors' Responsibilities

Company law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of the affairs of the Group and the Company and the profit or loss for that period.

In preparing those financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The financial statements for the year ended 31 March 2002 are published in hard-copy printed form and on the Company's website on the internet. The Directors are responsible for the maintenance and integrity of the website in accordance with UK legislation governing the preparation and dissemination of financial statements. Access to the website is available from outside the UK, where comparable legislation may be different.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Remuneration Report

Compliance

The Remuneration Committee consists of the five non-executive Directors under the chairmanship of Timothy Kirkhope. Details of compliance with the Combined Code are set out on page 15. The responsibility of the Committee is to review the remuneration of the executive Directors.

Remuneration Policy

The remuneration policy is designed to attract, motivate and retain the senior executives needed and to reward them for enhancing value to shareholders and for improving efficiency and delivering quality service to customers in recognition of the guidance given by the Director General of Water Services. The determination of their annual remuneration package is undertaken by the Committee by reviewing data in comparable groups of companies.

There are four elements of the remuneration package for executive Directors:

- Basic annual salary.
- Annual bonus payments dependent on performance and restricted to a maximum of 20% of basic salary.
- Taxable benefits in kind comprising the provision of company car, petrol, medical insurance and telephone facilities and an allowance for overseas work.
- Defined benefit pension scheme.

Basic Salary

Basic salary for the executive Directors will be reviewed each year with changes based on an assessment of job responsibilities and individual performance.

Annual Bonus Payments

Bonuses can be paid to executive Directors based on the Group's financial performance compared with the approved budget and the regulated business customer service performance indicators. The maximum bonus that can be paid is 20% of their basic annual salary prevailing at the start of the financial year.

Share Schemes

The executive Directors do not participate in any share option schemes.

Directors' Contracts

The service contracts of the executive Directors include notice periods of one year. The Committee considers this reflects the nature of the Company's business and the need to retain or attract appropriate executives.

Directors' Pension Arrangements

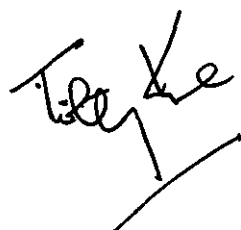
The executive Directors are contributory members of the Biwater (Water Companies) Pension Scheme. The scheme is a defined benefit, final salary scheme which provides a pension on retirement of 1/60th of pensionable final salary for every year of pensionable service. Pensionable salary includes only basic salary. The scheme provides a pension at the age of 65 and life assurance cover amounting to three times pensionable pay during employment as well as pensions payable in the event of ill health and pensions payable to dependents on death.

Non-Executive Directors

The remuneration of the non-executive Directors is determined by the Board by taking into account fees paid by comparable companies. Non-executive Directors do not participate in the Company's bonus scheme. They do not have service contracts, are not members of the pension schemes and do not receive any taxable benefits in kind.

Details of Directors' Remuneration

This report should be read in conjunction with note 6 to the accounts on page 26, which gives details of all elements of Directors' remuneration and which also constitutes part of this report.



Timothy Kirkhope

Chairman of the Remuneration Committee

31 May 2002

Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOURNEMOUTH & WEST HAMPSHIRE WATER PLC

We have audited the financial statements which comprise the consolidated profit and loss account, the balance sheets, the consolidated statement of cash flows, the statement of total recognised gains and losses and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, United Kingdom Auditing Standards issued by the Auditing Practices Board and the Listing Rules of the Financial Services Authority.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law or the listing rules regarding Directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the Chairman's Statement, the Managing Director's Review, the Financial Review, the Corporate Governance Statement and the Remuneration Report.

We review whether the corporate governance statements reflect the Company's compliance with the seven provisions of the Combined Code specified for our review by the Listing Rules, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls or to form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

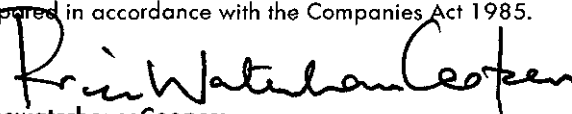
BASIS OF AUDIT OPINION

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 affairs of the Company and the Group as at 31 March 2002 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers

Chartered Accountants & Registered Auditors
Southampton
31 May 2002

Consolidated Profit and loss Account

Year ended 31 March 2002

2002

2001
(restated)*

		Total		Total	
	Note	£000	£000	£000	£000
Turnover					
Continuing operations		28,115		27,942	
Discontinued operations		1,745		4,411	
	1		29,860		32,353
Operating costs		(21,714)		(24,865)	
Exceptional operating costs – restructuring	3	–		(693)	
– impairment of goodwill	3	–		(322)	
Total operating costs	5		(21,714)		(25,880)
Other operating income	2		38		217
Operating profit/(loss)					
Continuing operations		8,717		7,947	
Discontinued operations		(533)		(1,257)	
Loss on disposal of business (discontinued operations)	11		8,184		6,690
Net interest payable	7		(328)		–
			(1,032)		(1,088)
Profit on ordinary activities before taxation			6,824		5,602
Tax on profit on ordinary activities	8		(1,519)		(1,952)
Profit on ordinary activities after taxation			5,305		3,650
Minority interests	28		(27)		(27)
Profit for the year attributable to shareholders			5,278		3,623
Dividends – non-equity interests	9		(2,125)		(2,125)
– equity interests	9		(1,282)		(1,068)
Retained profit for the year	23		1,871		430
Earnings per share (basic and fully diluted)	29		14.0p		6.7p

* The 2001 figures have been restated to reflect the implementation of FRS19 on a discounted basis.

Balance Sheets

At 31 March 2002

		Group 2002	Group 2001 (restated)*	Company 2002	Company 2001 (restated)*
	Note	£000	£000	£000	£000
Fixed assets					
Tangible fixed assets	12	93,637	88,280	93,637	88,280
Investments	13	-	-	48,178	48,178
		93,637	88,280	141,815	136,458
Current assets					
Stocks and work in progress	14	276	414	276	414
Debtors	15	5,599	4,947	7,960	7,295
Investments	18	510	412	-	-
Cash at bank and in hand		576	113	561	96
		6,961	5,886	8,797	7,805
Creditors: amounts falling due within one year	16	(9,302)	(8,684)	(11,600)	(10,982)
Net current liabilities		(2,341)	(2,798)	(2,803)	(3,177)
Total assets less current liabilities		91,296	85,482	139,012	133,281
Creditors: amounts falling due after more than one year	17	(21,091)	(17,609)	(69,591)	(66,109)
Provision for liabilities and charges	20	(5,202)	(4,741)	(5,202)	(4,741)
		65,003	63,132	64,219	62,431
Capital and reserves					
Called up share capital	22	47,483	47,483	47,483	47,483
Profit and loss account	23	17,099	15,228	16,736	14,948
Total shareholders' funds	24	64,582	62,711	64,219	62,431
<i>Analysed as - equity shareholders' funds</i>		39,582	37,711	39,219	37,431
<i>- non-equity shareholders' funds</i>		25,000	25,000	25,000	25,000
Minority shareholders' interest (including non-equity interest)	28	421	421	-	-
		65,003	63,132	64,219	62,431

*The 2001 figures have been restated to reflect the implementation of FRS19 on a discounted basis.

Approved by the Board on 31 May 2002

John Green
Chairman

Consolidated Statement of Cashflows

Year ended 31 March 2002

2002

2001

	Note	£000	£000	£000	£000
Net cash inflow from operating activities	A		11,812		13,428
Returns on investments and the servicing of finance					
Interest received		67		100	
Interest paid on finance leases		(442)		(557)	
Interest paid		(634)		(609)	
Dividends paid on non-equity shares		(2,125)		(2,125)	
Dividends paid to minority interests		(27)		(27)	
			(3,161)		(3,218)
Taxation			(802)		(1,736)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(10,269)		(8,429)	
Contributions received		1,056		944	
Sale of tangible fixed assets		92		35	
			(9,121)		(7,450)
Acquisitions and disposals					
Cash received in respect of disposals		61		-	
Disposal costs paid		(120)		-	
Cash balances of business sold		(11)		(240)	
Purchase of shares in subsidiary undertakings		-		(3)	
			(70)		(243)
Equity dividends paid			(1,091)		(1,169)
Management of liquid resources					
Decrease in short term deposits	B	-		104	
Purchase of current asset investment		(98)		(162)	
	C		(98)		(58)
Financing					
Finance lease capital repaid		(506)		(479)	
Bank loan raised - short term		-		500	
Bank loan repaid - short term		(500)		(1,500)	
Bank loan raised - long term		4,000		1,500	
			2,994		21
Increase/(decrease) in cash	C		463		(425)

The Statement of Cashflows should be read in conjunction with the Notes to the Statement of Cashflows on pages 21 and 22.

Statement of Total Recognised Gains and Losses

Year ended 31 March 2002	2002	2001 (restated)
	£000	£000
Profit attributable to ordinary shareholders	1,871	430
Currency translation differences on foreign currency net investments	-	27
Total recognised gains and losses relating to the year	1,871	457
Prior year adjustment re discounted deferred tax	(4,621)	-
Total recognised losses since last annual report	(2,750)	-

Notes to the Statement of Cashflows

A. Reconciliation of operating profit to net cash inflow from operating activities

Operating profit	8,184	6,690
Depreciation	4,516	3,976
Amortisation of goodwill	-	322
Profit on sale of fixed assets	(38)	(29)
Foreign exchange movement	-	27
Increase in stocks	(235)	(79)
Increase in debtors	(405)	(898)
(Decrease)/increase in creditors	(210)	3,419
Net cash inflow from operating activities	11,812	13,428

B. Analysis of the balances of cash at bank and in hand shown in the balance sheet

	2000 £000	2001 £000	2002 £000	Change in year £000
Cash (including overdraft)	538	113	576	463
Cash on short term deposit	104	-	-	-
Cash at bank and in hand	642	113	576	463

Notes to the Statement of Cashflows

	2002	2001	
C. Reconciliation of net cashflow to movement in net debt	£000	£000	
Increase/(decrease) in cash in the year	463	(425)	
Increase in debt and lease financing	(2,994)	(21)	
Increase in liquid resources	98	58	
Increase in net debt from cashflows	(2,433)	(388)	
Net debt at 1 April	(18,091)	(17,703)	
Balance at 31 March	(20,524)	(18,091)	
D. Reconciliation of movement in debtors, creditors and stock to working capital			
(Increase)/decrease in debtors	(652)	2,654	
(Decrease)/increase in interest prepayment	(19)	17	
Disposal of debtor in respect of discontinued operations	(77)	(3,569)	
Consideration due from disposal of discontinued operations	343	-	
Net movement in debtors working capital	(405)	(898)	
Increase/(decrease) in creditors	659	(1,551)	
Increase in interest accrual	(4)	(39)	
(Increase)/decrease in fixed asset accrual	(789)	873	
Disposal of creditor in respect of discontinued operations	-	4,136	
Creditor in respect of disposal costs	(76)	-	
Net movement in creditors working capital	(210)	3,419	
Decrease/(increase) in stocks	138	(79)	
Disposal of stocks in respect of discontinued operations	(373)	-	
Net movement in stock working capital	(235)	(79)	
E. Analysis of net debt			
	1 April 2001	Cash flow	31 March 2002
	£000	£000	£000
Cash and overdraft	113	463	576
Debt due after one year	(9,163)	(4,000)	(13,163)
Debt due within one year	(500)	500	-
Finance leases	(8,953)	506	(8,447)
Current asset investment	412	98	510
	(18,091)	(2,433)	(20,524)

Basis of accounting

The financial statements on pages 18 to 38 have been prepared in accordance with applicable accounting standards and, except for the treatment of certain contributions, with the Companies Act 1985 ('the Act'). An explanation of this departure from the requirements of the Act is given in the fixed assets section below.

Accounting convention

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

Basis of consolidation

The consolidated financial statements incorporate the accounts of Bournemouth and West Hampshire Water Plc and its subsidiary undertakings.

In November 1999, the Group acquired a 90% interest in a water concession contract in Nelspruit, South Africa. On 23 May 2000 Cascal B.V. exercised its option to acquire the investment in the concession. The Group's investment in the concession was de-consolidated with effect from 23 May 2000 and was accounted for as a fixed asset investment until its disposal.

Under an agreement with a related company, Cascal B.V., the Group received a support fee to recover the post tax consolidated losses from the concession. This support fee was disclosed as other operating income.

fixed assets

a) Infrastructure assets

Infrastructure assets comprise a network of underground systems. Expenditure on infrastructure assets relating to increases in capacity or enhancement of the network and on maintaining the operating capability of the network in accordance with defined standards of service is treated as an addition and included at cost after deducting any grants and contributions.

The depreciation charge for infrastructure assets is the estimated level of annual expenditure required to maintain the operating capability of the network which is based on the Company's independently certified asset management plan.

Grants and contributions receivable relating to infrastructure assets have been deducted from the cost of tangible fixed assets. This is not in accordance with the Companies Act 1985 which requires tangible fixed assets to be shown at cost and hence grants and contributions as deferred income. This departure from the requirements of the Companies Act 1985 is, in the opinion of the Directors, necessary for the financial statements to show a true and fair view as while a provision is made for depreciation of infrastructure assets, these assets do not have determinable finite lives and therefore no basis exists on which to recognise grants and contributions and deferred income. The effect of this treatment on the value of tangible fixed assets is disclosed in note 12, and is consistent with industry practice.

b) Other fixed assets

Other assets are included at cost less accumulated depreciation. Cost includes direct labour and an appropriate proportion of related overhead. Provision for depreciation is made in respect of all assets other than freehold land and easements. It is based on the historic cost of the assets and is designed to write them off in equal annual instalments over their useful lives which are estimated as follows:-

Buildings and reservoirs.....	80 - 100 years
Office equipment.....	3 - 5 years
Plant and equipment.....	5 - 40 years
Motor vehicles.....	4 - 7 years

Leased assets

Tangible fixed assets acquired under finance lease agreements are capitalised and the net obligations resulting are shown as liabilities. The fair value of each asset is depreciated over the estimated useful life of the asset. The

interest element of the rental charges is charged to the profit and loss account so as to produce a constant periodic rate of charge on the outstanding capital balance.

Rental costs arising under operating leases are charged against profits in the year they are incurred.

Turnover

Turnover comprises the value of water supplied and other work carried out.

Goodwill

Goodwill arising on the acquisitions of subsidiary undertakings and businesses, representing any excess of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off over its useful economic life. Provision is made for any impairment.

Current and fixed asset investments

Current and fixed asset investments are stated at cost less any provision for permanent diminution in value.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost, which includes an appropriate proportion of overheads or net realisable value. In accordance with established practice in the Water Industry no value has been placed upon the water in reservoirs, mains and in the course of treatment.

Deferred taxation

Deferred taxation is provided on a discounted basis on all timing differences that have originated but not reversed at the balance sheet date except as referred to below. Amounts provided are calculated with reference to tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Pension costs

The expected cost of pensions in respect of the defined benefit pension scheme is charged to the profit and loss account so as to spread the cost over the service lives of the employees in the schemes. Variations from regular cost are spread over the expected remaining service lives of employees in the schemes. The pension cost is assessed in accordance with the advice of independent qualified actuaries.

Financial instruments

The Group limits its exposure to movements in interest rates through entering into interest rate swaps on a selective basis to increase and extend the amount of borrowings subject to fixed rates of interest. Interest expense reflects the underlying cost of borrowing.

Financial instruments used to hedge foreign currency transactions and interest rates are valued at cost. Gains or losses on instruments are matched in the profit and loss account to the gains or losses on the transactions and to the interest to which they relate.

Premiums and fees are amortised over the life of the underlying instruments.

Foreign currency

Assets, liabilities, profits and losses in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Material exchange differences on translation of the opening net assets of overseas operations at the rates ruling at the balance sheet date are taken directly to reserves. Other material exchange differences arising in the ordinary course of business are included in the profit and loss account.

Notes to the Accounts

	UK 2002	UK 2001	Africa 2002	Africa 2001	Total 2002	Total 2001		
<hr/>								
1. Segmental analysis	£000	£000	£000	£000	£000	£000		
<hr/>								
By geographic segment								
Turnover to third parties by destination/origin	29,860	31,505	–	848	29,860	32,353		
Profit/(loss) before tax	6,824	5,710	–	(108)	6,824	5,602		
Net assets	65,003	63,132	–	–	65,003	63,132		
<hr/>								
By class of business								
	Regulated Business		Non-regulated Business		Discontinued Non-regulated Business		Total	Total
	2002	2001	2002	2001	2002	2001	2002	2001
	£000	£000	£000	£000	£000	£000	£000	£000
Turnover	26,792	26,460	2,294	2,118	1,745	4,411	30,831	32,989
Inter-segment trading	–	–	(971)	(636)	–	–	(971)	(636)
<hr/>								
Turnover to third parties	26,792	26,460	1,323	1,482	1,745	4,411	29,860	32,353
<hr/>								
Profit/(loss) before tax	7,531	6,834	313	25	(1,020)	(1,257)	6,824	5,602
Net assets/(liabilities)	66,023	63,647	(1,020)	360	–	(875)	65,003	63,132
<hr/>								
2. Other operating income								
Profit on disposal of fixed assets							38	29
Support fee							–	188
							38	217

The support fee was received from Cascad B.V. in respect of an agreement with that company relating to the Nelspruit concession.

3. Exceptional items - 2001

Restructuring costs

This charge relates to redundancy costs arising from the restructuring of the regulated and non-regulated businesses.

Impairment of goodwill

This charge related to the write down of the carrying value of goodwill related to Airmec, following a review of the prospects for the business by the Directors. The Airmec business was sold during the current year (note 11).

	2002			2001		
	Continuing operations £000	Discontinued operations £000	Total £000	Continuing operations £000	Discontinued operations £000	Total £000
4. Other analysis						
Operating costs	19,436	2,278	21,714	20,024	5,856	25,880
Other operating income	38	-	38	29	188	217

The Airmec business was sold on the 25 September 2001 and its results for the period are classified as a discontinued operation. The comparative for discontinued operations includes the results of the Nelspruit concession for the period to 23 May 2000.

5. Operating costs

The Directors believe that the nature of the Group's business is such that the analysis of operating costs required by the Companies Act 1985 is not appropriate. As required by the Act the Directors have therefore adapted the prescribed format so that disclosure of operating costs is appropriate to the Group's principal business.

	2002	2001
Operating costs comprise:	£000	£000
Payroll costs		
Wages and salaries	5,813	7,623
Social security costs	506	687
Pension costs	–	38
Redundancy costs	40	693
Less charged to fixed assets	(443)	(492)
Net payroll cost	5,916	8,549
Other operating costs		
Operating lease rentals – Plant and machinery	192	311
Auditors' remuneration – statutory accounts (Group)*	30	32
– non-audit services (Group and Company)*	108	190
Raw materials, consumables and other charges	10,952	12,500
Total other operating costs	11,282	13,033
Depreciation of tangible fixed assets		
On assets	2,842	2,510
On leased assets	370	367
On infrastructure assets	1,304	1,099
Total depreciation	4,516	3,976
Amortisation of intangible fixed assets	–	322
Total operating costs	21,714	25,880

*Auditors' remuneration for the Company is £27,000 (2001 £29,000). Non audit services in 2001 includes £46,000 in respect of the Nelspruit concession which was recovered through the support fee mechanism.

The average number of employees during the year was:	Total	Total
Regulated business	188	219
Non-regulated business	77	157
In 2001 the non-regulated business employed an average of 124 employees in the UK and 33 employees in Africa. In 2002 all employees were in the UK.		

Notes to the Accounts

6. Directors' emoluments

The remuneration (excluding pension contributions) of the Directors was as follows:

	Salary or Fees £000	2002 Bonus £000	2002 Benefits £000	Total £000	2001 Total £000
Chairman					
J W Green (appointed a Director 9 June 2000; Chairman 28 July 2000)	25	-	-	25	19
D F W White (resigned 28 July 2000)	-	-	-	-	7
Executive Directors					
A R F Cooke	91	14	10	115	103
A J D Ferrar	73	11	8	92	86
R I Harrington	73	11	8	92	83
Non-executive Directors					
J S Cox	12	-	-	12	12
T J R Kirkhope	12	-	-	12	12
N B E Beale (appointed 9 June 2000)	12	-	-	12	10
D O Lloyd (appointed 21 September 2001)	6	-	-	6	-
Major J M Mills (resigned 28 July 2000)	-	-	-	-	5
C D Morpeth (resigned 28 July 2000)	-	-	-	-	4
W G H Tripp (resigned 28 July 2000)	-	-	-	-	4
Total remuneration	304	36	26	366	345

- Fees paid in respect of D O Lloyd are paid to Cascal Services Ltd. Fees paid in respect of D F W White were paid to Biwater Plc.
- Fees paid to J W Green in 2000/01 included £2,000 for his services as a Director prior to his appointment as Chairman.
- Benefits consist of the provision of company car, petrol, medical insurance, telephone facilities and an allowance for overseas work.
- Bonus payments relate to a performance related scheme based on the Group's financial performance compared with budget and the regulated business customer service performance. The maximum payable to executive Directors is 20% per annum of basic salary at the start of the bonus payment period.
- Major J M Mills received £6,382 consultancy fees for the period from 29 July 2000 to 31 December 2000, and an ex-gratia pension of £1,875 from 1 January 2001 to 31 March 2001. W G H Tripp received £5,318 consultancy fees from 29 July 2000 to 31 December 2000 and an ex-gratia pension of £1,562 for the period 1 January 2001 to 31 March 2001. C D Morpeth received £5,318 consultancy fees for the period 29 July 2000 to 31 December 2000.
- For further information on the remuneration of Directors see the Remuneration Report on page 16.

The accrued pension benefits of the Directors at 31 March 2002 were as follows :

Name	Increase in accrued pension (in excess of inflation) in year (per annum) £	Transfer value increase £	Total accrued pension as at 31 March 2002 (per annum) £
A R F Cooke	2,140	19,034	15,956
A J D Ferrar	1,599	9,926	21,627
R I Harrington	1,383	11,087	10,875

	2002	2001
	£000	£000
7. Net interest payable		
Interest payable		
Perpetual debenture stocks	(7)	(7)
Finance lease agreements	(460)	(537)
Bank borrowings	(610)	(586)
Other	(25)	(58)
	(1,102)	(1,188)
Interest receivable		
Short term and bank deposits	70	76
Related party	-	24
	70	100
Net interest payable	(1,032)	(1,088)
8. Tax on profit on ordinary activities		
Current tax		
Corporation tax based on profit for the period at 30%	1,518	1,271
Adjustment in respect of prior years	(460)	810
ACT written back	-	(541)
	1,058	1,540
Deferred tax		
Origination and reversal of discounted timing differences	523	412
Movement in discount rate	(62)	-
	461	412
Tax on profit on ordinary activities	1,519	1,952
The tax assessed for the year is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:		
Profit on ordinary activities before taxation	6,824	5,602
Profit on ordinary activities multiplied by the standard rate of UK tax (30%)	2,047	1,681
Adjusted by:		
Capital allowances for year in excess of depreciation	(632)	(503)
Other timing differences	51	-
Expenditure not deductible for tax purposes	52	93
Adjustments to tax charge in respect of prior periods	(460)	269
Current tax charge for the year	1,058	1,540

The impact of the implementation of FRS19 (Deferred Taxation) has been to increase the tax charge for the year by £461,000 (2001 £412,000).

Notes to the Accounts

	2002	2001
	£000	£000
9. Dividends paid		
8.5% cumulative irredeemable preference shares	1,062	1,062
Ordinary shares (2.45p per share; 2001 2.35p per share)	551	528
	1,613	1,590
Dividends proposed		
8.5% cumulative irredeemable preference shares	1,063	1,063
Ordinary shares (3.25p per share; 2001 2.4p per share)	731	540
	3,407	3,193
Analysed as :		
Non-equity interests	2,125	2,125
Equity interests	1,282	1,068
	3,407	3,193
10. Intangible assets – Goodwill – Group and Company		
Cost		
1 April	350	350
Disposal	(350)	–
31 March	–	350
Provision for amortisation and impairment		
1 April	350	28
Disposal	(350)	–
Charge for year	–	322
31 March	–	350
Net book amount – 31 March	–	–
11. Discontinued operations		
On 25 September 2001 the Group disposed of its Airmec division. The details of the disposal are provided below:		
	Total	£000
Tangible fixed assets	75	
Stocks and work-in-progress	373	
Prepayments	77	
Cash	11	
Net assets	536	
Disposal costs	196	
Consideration	404	
Loss on disposal	328	

A tax credit of £100,000 is included in the tax charge for the year in respect of this loss on disposal.

12. Tangible fixed assets - Group and Company	2002						
	Freehold land and easements	Property and reservoirs	Plant and equipment	Infra- structure assets	Office equipment	Motor vehicles	Total
Cost	£000	£000	£000	£000	£000	£000	£000
1 April 2001	1,404	24,642	36,642	55,476	4,420	2,478	125,062
Additions	-	1,878	4,861	3,422	486	411	11,058
Disposals: continuing operations	-	(24)	(24)	(180)	(783)	(214)	(1,225)
Disposals: discontinued operations	-	(20)	(44)	-	(66)	-	(130)
31 March 2002	1,404	26,476	41,435	58,718	4,057	2,675	134,765
Contributions							
1 April 2001	-	-	-	6,185	-	-	6,185
Additions	-	-	-	1,056	-	-	1,056
Disposals	-	-	-	(20)	-	-	(20)
31 March 2002	-	-	-	7,221	-	-	7,221
Depreciation							
1 April 2001	-	4,360	11,773	9,186	3,650	1,628	30,597
Charge in the year	-	336	2,224	1,304	341	311	4,516
Disposals: continuing operations	-	(3)	(11)	(160)	(773)	(204)	(1,151)
Disposals: discontinued operations	-	-	(12)	-	(43)	-	(55)
31 March 2002	-	4,693	13,974	10,330	3,175	1,735	33,907
Net book amount							
31 March 2002	1,404	21,783	27,461	41,167	882	940	93,637
1 April 2001	1,404	20,282	24,869	40,105	770	850	88,280

Tangible fixed assets financed by leasing amounted to £12,389,000 (2001 £12,858,000) less accumulated depreciation of £2,595,000 (2001 £2,686,000). Property and reservoirs includes an amount of £782,000 (2001 £1,322,000), plant and equipment includes an amount of £342,000 (2001 £1,347,000) and infrastructure includes £nil (2001 £1,935,000) relating to assets in the course of construction.

	Total
13. Investments - Company	£000
Shares in subsidiary undertakings at 1 April 2001 and 31 March 2002	48,178

During the year a further 20 shares of the ordinary share capital of West Hampshire Water Plc have been acquired for a cash consideration of £201, at a price of £10.04 per share.

At 31 March 2002 the Company's subsidiary undertakings were:

Name	Country of registration	Principal activity	Proportion of ordinary shares held
Bournemouth Water Plc	England	Investment holding	Voting - 99%
West Hampshire Water Plc	England	Investment holding	Voting - 99%
			Non-voting - 97%
Mill Stream Insurance Ltd	Guernsey	Insurance	Voting - 100%
Aqua Enterprises Ltd	England	Dormant	Voting - 100%

Notes to the Accounts

	Group 2002	Group 2001	Company 2002	Company 2001
	£000	£000	£000	£000
14. Stock and work in progress				
Stock	215	155	215	155
Work in progress	61	259	61	259
	276	414	276	414

There was no material difference between the values shown above and the replacement cost.

15. Debtors

Trade debtors	3,569	4,334	3,569	4,334
Amounts owed by group undertakings	–	–	2,321	2,308
Amounts owed by related parties	691	2	691	2
Other debtors	586	289	586	289
Prepayments and accrued income	410	322	450	362
Consideration due from disposal of discontinued operation	343	–	343	–
	5,599	4,947	7,960	7,295

16. Creditors : amounts falling due within one year

Bank loans and overdraft	–	500	–	500
Payments on account	1,637	1,589	1,637	1,589
Trade creditors	2,342	1,752	2,342	1,752
Amounts owed to group undertakings	–	226	–	226
Amounts owed to related parties	183	4	183	4
Amounts owed to subsidiary undertakings : interest	–	–	3,069	3,172
Other creditors	171	154	171	154
Dividends payable	1,794	1,603	1,794	1,603
Dividends payable – minority interests	20	20	–	–
Net obligations under finance leases	519	507	519	507
Taxation and social security	–	132	–	132
Corporation tax	1,257	1,001	520	158
Accruals and deferred income	1,379	1,196	1,365	1,185
	9,302	8,684	11,600	10,982

17. Creditors : amounts falling due after more than one year

Bank loans	13,000	9,000	13,000	9,000
Net obligations under finance leases	7,928	8,446	7,928	8,446
Perpetual debentures	163	163	163	163
Amounts owed to subsidiary undertakings	–	–	48,500	48,500
	21,091	17,609	69,591	66,109

	Group 2002	Group 2001	Company 2002	Company 2001
	£000	£000	£000	£000
17. Creditors – continued				
Analysis of borrowings				
Borrowings are repayable as follows:				
Due within one year				
Bank loan	–	500	–	500
Leases	519	507	519	507
	519	1,007	519	1,007
Due within one to two years				
Bank loan	9,000	9,000	9,000	9,000
Leases	550	518	550	518
	9,550	9,518	9,550	9,518
Due within two to five years				
Leases	1,777	1,751	1,777	1,751
Due after five years				
Bank loan	4,000	–	4,000	–
Perpetual debentures	163	163	163	163
Leases	5,601	6,177	5,601	6,177
Amounts owed to subsidiary undertakings	–	–	48,500	48,500
	9,764	6,340	58,264	54,840
Total due in over one year	21,091	17,609	69,591	66,109

The Company has a facility with Brown, Shipley and Company Limited for £9,000,000. The total facility was repayable on 6 January 2003. This date has now been extended to 6 May 2003. Interest on £3,000,000 of the facility has been fixed at 7.35% per annum by way of an interest rate swap with Lloyds TSB Bank Plc on 7 January 1998 which expires on 6 January 2003. The remainder of the facility incurs interest based on the six month LIBOR rate prevailing at the time.

A 15 year loan agreement was signed with Bank of Ireland on 12 December 2001. This agreement provides a term loan facility of £7.5 million of which £4.0 million was drawn down by 31 March 2002. Repayment of the loan commences in tranches in April 2007 and is due for repayment by 14 January 2017. Interest on the facility is based on short-term LIBOR rates.

The Group also has a £3,000,000 overdraft facility with Lloyds TSB Bank Plc. This facility is available to 31 January 2003, when it is expected to be rolled over. Some or all of this facility may be drawn down as short term loans. The undrawn facility at 31 March 2002 was £3,000,000 (2001 £2,500,000).

There are three finance leases due for completion in 4, 6 and 8 years. Repayments of principal and interest are made on a half-yearly basis with interest calculated at the six month LIBOR rate prevailing at the time of payment. In addition, the Company has entered into a 20 year finance lease of which £7,356,000 (2001 £7,688,000) was outstanding at 31 March 2002. Repayments of principal and interest are made annually and commenced in January 1998. Interest is based on the three month variable rate of LIBOR. The perpetual debentures consist of £88,000 at 4% per annum and £75,000 at 5% per annum.

The amounts owed to subsidiary undertakings represent loan notes with no repayment date and bear interest at 9.15% (2001 9.15%) per annum.

Notes to the Accounts

18. Derivatives and other financial instruments

The narrative and numerical disclosures relating to financial instruments are set out below. The Group has taken advantage of the exemption available under FRS 13 "Derivatives and other financial instruments" not to provide numerical disclosures in relation to short-term debtors and creditors.

Financial instruments

The Group finances its operations through a mixture of retained profits and borrowings. The Group does not use complex derivative financial instruments. Where it does use financial instruments these are mainly to manage the currency and interest rate risks arising from normal operations and to raise finance for the Group's operations. The Group's financial instruments, other than derivatives, comprise borrowings, cash and various items such as trade debtors and trade creditors that arise directly from its operations.

The Group is exposed to interest rate risk and liquidity risk. The Board has reviewed the Group's exposure to these risks and has agreed the following policies to manage them. The policies have remained unchanged throughout the period.

Interest rate risk

The Group has various long and short-term borrowings in sterling at fixed and floating rates of interest. The Group is continually monitoring its exposure to movements in interest rates in order to bring greater stability and certainty with respect to borrowing costs. The Group generally sources borrowings on a floating rate basis as long as market conditions indicate that the floating rate is beneficial. This also includes instances where interest rate swaps are used to fix floating rates of interest.

Surplus funds are placed on short-term deposit. These deposits have floating rates of interest, and thus there is some modest exposure to interest rates.

Liquidity risk

The Group has a strong operating cash flow. For short-term working capital purposes, the Group utilises bank facilities.

As regards liquidity, the Group's policy throughout the year has been to maintain a mix of short, medium and long-term borrowings with their lenders. Short-term flexibility is achieved by overdraft facilities whereas long-term finance is used to finance the capital programme. Details of the year end position, which is in accordance with this policy, are given in note 17. It is, in addition, the Group's policy to maintain undrawn committed borrowing facilities in order to provide flexibility in the management of the Group's liquidity; details are also given in note 17.

Foreign currency risk

Following the disposal of the Nelspruit concession during 2000/01 the Group has no foreign currency exposure.

Interest rate risk and profile of financial liabilities

All short term creditors (other than overdrafts, loans and finance leases) have been excluded from the following disclosures, due to the exemption granted to short term items or because they do not meet the definition of a financial liability. Currency and interest rate profile of the Group's financial liabilities at 31 March 2002 were:

Currency	Fixed interest rate %	Period	Fixed rate £000	Floating rate £000	2002 Total £000
Sterling	8.50	irredeemable	25,000	–	25,000
Sterling	7.35	1 year	3,000	–	3,000
Sterling	5.00	perpetual	75	–	75
Sterling	4.00	perpetual	88	–	88
Sterling	–	–	–	18,447	18,447
			28,163	18,447	46,610

18. Derivatives and other financial instruments – continued

Currency and interest rate profile of the Group's financial liabilities at 31 March 2001 were:

Currency	Fixed interest rate %	Period	Fixed rate £000	Floating rate £000	2001 Total £000
Sterling	8.50	irredeemable	25,000	–	25,000
Sterling	7.35	2 years	3,000	–	3,000
Sterling	5.00	perpetual	75	–	75
Sterling	4.00	perpetual	88	–	88
Sterling	–	–	–	15,453	15,453
			28,163	15,453	43,616

Floating rate borrowings bear interest based on the three or six months LIBOR rate prevailing at the time (see note 17 for maturity profile of financial liabilities and details of undrawn borrowing facilities).

Fair value

The fair value (market value) of the cumulative irredeemable preference shares was £31,750,000, (2001 £31,125,000) which was unrecognised at 31 March 2002. The fair value of the perpetual debentures is not materially different to the book value.

The fair value of cash at bank and in hand, current investments and floating rate borrowings at 31 March 2002 and 31 March 2001 was equal to the book value at that date. The fair value of the interest rate swap at the mark to market rate held for hedging purposes was a loss of £69,000 (2001 £89,000) against a book value of £nil, of which £69,000 (2001 £89,000) was unrecognised at 31 March 2002. There was no material impact on the 2001/02 profit and loss account from the unrecognised gain on the interest rate swap at 31 March 2001. There will be no material impact on the profit and loss account in the forthcoming year from unrecognised losses and gains from interest rate swaps.

For 2000/01 the fair value of Cascal B.V.'s contract with the company to reimburse all losses on the Nelspruit concession was considered to be nil, as there was no ready market for this, and the discounted cash flows expected were zero over the life of the contract. Following the exercise of the option to dispose of the concession on 23 May 2000 this agreement was cancelled at no gain or loss.

Interest rate risk and profile of financial assets

	2002 £000	2001 £000
Currency		
Sterling	1,086	525
At 31 March	1,086	525
Interest		
Floating rate	978	429
No interest paid	108	96
At 31 March	1,086	525

The financial assets comprise cash, short-term deposits and current investments at short-term money market rates applicable to the currency.

Current asset investment

These comprise units in a corporate money fund and are shown at cost of £510,000 (2001 £412,000) which equates to the market value at 31 March 2002.

Notes to the Accounts

	Group 2002	Group 2001	Company 2002	Company 2001
	£000	£000	£000	£000
19. Operating leases – plant and machinery				
At 31 March 2002 the Group and the Company had annual commitments under operating leases which expire :				
Within one year	1	65	1	65
In the second to fifth years inclusive	75	386	75	386
	76	451	76	451

20. Provision for liabilities and charges – Group and Company

Provision for liabilities and charges consists solely of deferred tax, provided on a discounted basis. The implementation of FRS19 has necessitated the restating of the prior year.

	2002	2001 (restated)
	£000	£000
Provision brought forward	4,741	-
Restatement for FRS19	-	4,209
Tax charged in period	461	532
	5,202	4,741

Based upon current capital investment plans the Group expects to claim capital allowances in excess of depreciation in future years at a similar level to the current year.

21. Deferred tax – Group and Company

The Group has adopted FRS19 on a discounted basis. The effect of this change in accounting policy is summarised below:

	2001
	£000
Balance sheet	
Deferred tax as reported	-
prior period adjustment	4,209
tax charged for period	532
as restated	4,741
Current tax as reported	1,121
tax credit for period	(120)
as restated	1,001

21. Deferred tax – Group and Company – continued

The effect of discounting is set out below:

	2002	2001 (restated)
	£000	£000
Accelerated capital allowances	8,128	7,496
Tax losses carried forward	(51)	-
Undiscounted provision for deferred tax	8,077	7,496
Discount	(2,875)	(2,755)
Discounted provision for deferred tax	5,202	4,741

	Authorised		Issued and fully paid	
	2002	2001	2002	2001
	£000	£000	£000	£000
22. Called up share capital – Group and Company	£000	£000	£000	£000
The authorised and issued share capital is as follows :				
Equity interests :				
Ordinary shares of £1 each (issued – 22,483,492)	50,000	50,000	22,483	22,483
Non-equity interests:				
8.5% cumulative irredeemable preference shares of £1 each	25,000	25,000	25,000	25,000
	75,000	75,000	47,483	47,483

The 8.5% cumulative irredeemable preference shares are non-voting except in the following circumstances:

- Dividends on the preference shares are 14 business days in arrears.
- A resolution is to be proposed for the winding up of the Company or for the reduction of capital or for the capitalisation of reserves.
- The listing of the preference shares is suspended or cancelled by reason of any act or omission by the Company or the Directors.

The preference shares are not redeemable and have preferential rights on a winding up. The dividends on the preference shares are paid on 1 April and 1 October in respect of the half years ending 31 March and 30 September respectively. The amount of any dividend not paid on the due date attracts interest of 2% per annum above the Lloyds TSB Bank Plc base rate.

Notes to the Accounts

	Group 2002	Group 2001 (restated)	Company 2002	Company 2001 (restated)
	£000	£000	£000	£000
23. Profit and loss account				
Retained profit brought forward	15,228	18,980	14,948	18,711
Implementation of FRS19	-	(4,209)	-	(4,209)
Retained profit for the year	1,871	430	1,788	446
Currency translation differences on foreign currency net investments	-	27	-	-
Balance at 31 March	17,099	15,228	16,736	14,948
A separate profit and loss account for the Company has not been presented in accordance with section 230 of the Companies Act 1985.				
24. Movement in shareholders' funds				
Profit attributable to shareholders	5,278	3,623	5,195	3,639
Dividends	(3,407)	(3,193)	(3,407)	(3,193)
Currency translation differences on foreign currency net investments	-	27	-	-
Net additions to shareholders' funds	1,871	457	1,788	446
Opening shareholders' funds	62,711	66,463	62,431	66,194
Implementation of FRS19	-	(4,209)	-	(4,209)
Closing shareholders' funds	64,582	62,711	64,219	62,431
25. Capital commitments - Group and Company				
Authorised and contracted	2,714	394	2,714	394

26. Pension commitments

The Biwater (Water Companies) Pension Scheme was established, as a separate division of the Biwater Retirement and Security Scheme (BRASS), to provide defined benefits to a closed group of employees of the former East Worcestershire, Bournemouth and West Hampshire Water Companies who were previously members of the Water Companies Association Pension Scheme.

On 1 July 1994, the three individual 'sub funds' that initially related to each of these three employers were merged; also from that date the scheme began admitting new members. A transfer of 31 members from the main section of BRASS into this scheme was effected on 1 July 1994 together with an appropriate transfer of assets. These members will receive benefits in accordance with the terms of the main section of BRASS. The Company paid contributions to the scheme during the year at a rate recommended by the professionally qualified actuaries. The most recent actuarial valuation was as at 1 January 2000. The significant actuarial assumptions in that valuation were as follows:-

Valuation method	Projected unit
Salary growth	6.0% per annum
Price inflation	4.0% per annum
Investment returns	8.0% per annum

The actuarial valuation at 1 January 2000 by an independent qualified actuary showed that the market value of that part of the scheme's assets relating to the Company was £58 million. The actuarial value of the assets, £47 million, was sufficient to cover 134% of the value of benefits that had accrued to members, allowing for assumed future pay and pensions increases.

Group pension costs charged in the accounts were £nil (2001 £38,000). The reduction reflects the effect of the disposal of the Nelspruit concession and the revised funding required as a result of the most recent actuarial valuation.

26. Pension commitments – continued

FRS17 disclosures

The following amounts at 31 March 2002 were measured in accordance with the requirements of FRS 17.

The main financial assumptions used in the valuation of the liabilities of the pension scheme under FRS17 are:

	Per annum
Rate of increase in salaries	4.5%
Rate of increase to pensions in payment	3.0%
Discount rate	6.0%
Price inflation	3.0%

The assets in the scheme and the expected rate of return were:

	Long-term rate of return	Value £000
Equities/Properties	7.5%	38,427
Bonds	5.5%	7,566
Cash	4.0%	1,803

47,796

	£000
Total market value of assets	47,796
Present value of scheme liabilities	(42,500)

Surplus as calculated under FRS17	5,296
Related deferred tax liability	(1,589)

Net pension asset as calculated under FRS17	3,707
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If the above amounts had been recognised in the accounts, the Group's net assets and profit and loss reserve at 31 March 2002 would have been as follows:

Net assets

Net assets excluding pension asset	65,003
Net pension assets as calculated under FRS17	3,707

Net assets including pension asset as calculated under FRS17	68,710
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Reserves

Profit and loss reserve excluding pension asset	17,099
Pension asset	3,707

Total reserves as calculated under FRS17	20,806
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27. Ultimate parent undertaking

The ultimate parent undertaking is Cascal B.V., which is registered in The Netherlands, and is the largest company for which Group accounts are prepared. Copies of these accounts for the year ended 31 March 2002 are available from the Company Secretary, Cascal B.V., Strawinskylaan 3105, 1077 ZX Amsterdam, The Netherlands.

£000

28. Minority shareholders' interest (non-equity)

At 1 April 2001	421
Profit and loss account	27
Dividends payable	(27)

At 31 March 2002

421

The above relates to fixed dividend ordinary shares in Bournemouth Water Plc and West Hampshire Water Plc. These shares have voting rights and a claim on the assets of the Company in a winding up.

29. Earnings per share

The earnings per share for the year ended 31 March 2002 are based on earnings of £3,153,000 and ordinary shares of 22,483,492 (2001 – restated earnings of £1,498,000 and ordinary shares of 22,483,492).

30. Related party transactions

- (i) The Group incurred charges from Biwater Treatment Ltd for construction and design work amounting to £1,748,000 (2001 £2,000), of which £174,000 was outstanding at the year end.
- (ii) The Group is owed £684,000 (2001 £nil) in respect of group relief from Biwater Plc. The Group incurred management service charges from Biwater Plc of £nil (2001 £45,000). The Group received £7,000 (2001 £6,000) for the provision of printing services to Biwater Plc of which £2,000 was outstanding at the year end. Biwater Plc recharged VAT in respect of administering the pension fund of £9,000 (2001 £nil) which was outstanding at the year end.
- (iii) The Group incurred management service charges from Cascal Services Ltd (formerly Biwater Capital Investments Ltd) of £293,000 (2001 £241,000). The Group received interest of £nil (2001 £21,000) from Cascal Services Ltd.
- (iv) The Group received £6,000 (2001 £46,000) from Biwater International Ltd for the provision of consultancy services, of which £5,000 was outstanding at the year end.
- (v) The Group received £nil (2001 £194,000) from Cascal B.V. for the support fee on the Nelspruit concession and £1,000 (2001 £nil) for the provision of printing services.
- (vi) The Group received £nil (2001 £1,000) for the provision of printing services to Biwater Industries (Clay Cross) Ltd. The Group purchased from Biwater Spectrascan (a division of Biwater Industries Ltd) equipment to the value of £4,700 (2001 £8,000). The Group received £3,000 (2001 £2,000) for the provision of printing services to Biwater Spectrascan.
- (vii) The Group incurred charges from a third party of £nil (2001 £8,000) in respect of goods manufactured by Biwater Industries (Clay Cross) Ltd. The Group does not control whether these goods are sourced from an associated company. The Directors are not aware of any other circumstances where the Company has incurred charges with the Biwater Group via a third party.

Biwater Plc owns 50% of Cascal B.V. and Cascal Services Ltd and 100% of all the above Biwater companies when the disclosed transactions occurred.

Transactions between Bournemouth and West Hampshire Water Plc and its subsidiary companies have been excluded, as the accounts are presented on a consolidated basis.

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Bournemouth and West Hampshire Water Plc will be held at George Jessel House, Francis Avenue, Bournemouth on 26 July 2002 at 9.30am for the following purposes :

1. To receive and adopt the Report of the Directors and the Audited Accounts for the period ended 31 March 2002.
2. To declare the final dividend of 3.25 pence per ordinary share.
3. To re-elect Mr D O Lloyd as a Director.
4. To re-elect Mr J S Cox as a Director, who retires by rotation and offers himself for re-election.
5. To re-elect Mr T J R Kirkhope as a Director, who retires by rotation and offers himself for re-election.
6. To re-appoint PricewaterhouseCoopers as auditors and to authorise the Directors to fix their remuneration.

By order of the Board

A J D Ferrar
Secretary

Registered Office:
George Jessel House,
Francis Avenue,
Bournemouth,
Dorset BH11 8NB.

31 May 2002

A shareholder entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company. A form of proxy accompanies this document.

Bournemouth & West Hampshire WATER

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Freephone leak line 08005 878 979

we are registered with 




A NUON BIOWATER COMPANY