

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013
FOR**

03953229 **BRITISH WATER**

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BRITISH WATER (REGISTERED NUMBER: 03953229)

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FOR THE YEAR ENDED 31 MARCH 2013**

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BRITISH WATER

COMPANY INFORMATION FOR THE YEAR ENDED 31 MARCH 2013

DIRECTORS

D Neil-Gallacher
A E Roe
A V Williams
Dr D A Kaner
J P Carter
Mrs S Clews
Ms L I Thompson
P M Mullord
L C Horrocks
T Stephenson
M Willis
Y Herbath
Ms C Merlane
Ms N Randles
R Tillier
M Lane

SECRETARY.

D Neil-Gallacher

REGISTERED OFFICE

1 Queen Anne's Gate
London
SW1H 9BT

REGISTERED NUMBER

03953229 (England and Wales)

AUDITORS

Nunn Hayward LLP
Chartered Accountants
Statutory Auditor
Sterling House
20 Station Road
Gerrards Cross
Buckinghamshire
SL9 8EL

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2013**

The directors present their report with the financial statements of the company for the year ended 31 March 2013

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a Trade Association to the Water and Waste Water industry

The company is limited by guarantee and therefore has no share capital. Under the Articles of Association each member of the company has a maximum liability of £5 in the event of winding-up.

In accordance with section 62 of the Companies Act 2006, the company is exempt from the requirements to use the word "limited" at the end of its name.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2012 to the date of this report.

D Neil-Gallacher
A E Roe
A V Williams
Dr D A Kaner
J P Carter
Mrs S Clews
Ms L I Thompson
P M Mullord
L C Horrocks
T Stephenson
M Willis
Y Herbath

Other changes in directors holding office are as follows:

T W Turtle - resigned 4 September 2012
B J Armstrong - resigned 23 November 2012
F Price - resigned 4 September 2012
Ms C Merlane - appointed 16 April 2012
Ms N Randles - appointed 3 May 2012
R Tillier - appointed 19 September 2012
M Lane - appointed 3 May 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

BRITISH WATER (REGISTERED NUMBER: 03953229)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2013**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

The auditors, Nunn Hayward LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting

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

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'D Neil-Gallacher', written over the printed text 'ON BEHALF OF THE BOARD'.

D Neil-Gallacher - Director

8 May 2013

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BRITISH WATER

We have audited the financial statements of British Water for the year ended 31 March 2013 on pages five to ten. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its surplus for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Report of the Directors.

Nunn Hayward LLP

Daniel Palmer (Senior Statutory Auditor)
for and on behalf of Nunn Hayward LLP
Chartered Accountants
Statutory Auditor
Sterling House
20 Station Road
Gerrards Cross
Buckinghamshire
SL9 8EL

Date *10 May 2013*

BRITISH WATER (REGISTERED NUMBER: 03953229)

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2013**

	Notes	2013 £	£	2012 £	£
TURNOVER			766,027		775,449
Cost of sales			236,160		284,619
GROSS SURPLUS			529,867		490,830
Administrative expenses			522,078		483,120
OPERATING SURPLUS	2		7,789		7,710
Income from fixed asset investments		252		165	
Interest receivable and similar income		2		2	
			254		167
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION			8,043		7,877
Tax on surplus on ordinary activities	3		-		-
SURPLUS FOR THE FINANCIAL YEAR			8,043		7,877

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the surpluses for the current year or previous year

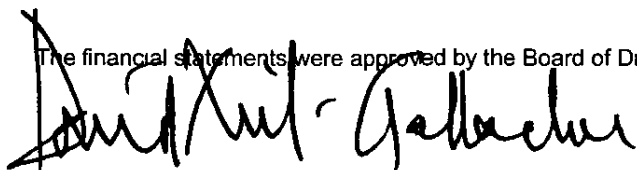
The notes form part of these financial statements

BRITISH WATER (REGISTERED NUMBER: 03953229)**BALANCE SHEET
31 MARCH 2013**

	Notes	2013 £	2012 £
FIXED ASSETS			
Tangible assets	4	600	1,271
Investments	5	3,488	3,298
		<u>4,088</u>	<u>4,569</u>
CURRENT ASSETS			
Debtors	6	167,906	140,434
Cash at bank and in hand		192,451	182,452
		<u>360,357</u>	<u>322,886</u>
CREDITORS			
Amounts falling due within one year	7	242,206	213,259
NET CURRENT ASSETS		<u>118,151</u>	<u>109,627</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>122,239</u>	<u>114,196</u>
RESERVES			
Income and expenditure account	9	122,239	114,196
	11	<u>122,239</u>	<u>114,196</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The financial statements were approved by the Board of Directors on 8 May 2013 and were signed on its behalf by



D Neil-Gallacher - Director



M Lane - Director

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company

Turnover

Turnover represents amounts receivable for services and events net of VAT

To the extent that there is a right to consideration, turnover represents the value of services provided under a contract and is recorded at the value of consideration due. When a contract has only been partially completed at the balance sheet date, however, the turnover to be recorded represents the value of the service provided at that date, based on a proportion of the total expected consideration at completion of the contract.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Fixtures and fittings - 33% on cost and 25% on cost

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the income and expenditure account on a straight line basis over the period of the lease.

Government grants

Government grants received for certain foreign missions and exhibitions are recognised in the income and expenditure account in the same period as the expenditure. Grant income is either included in mission or events income and matching costs are either included in mission or events costs in the income and expenditure account.

On certain overseas trade exhibitions British Water has also acted as an accredited trade organisation for UK Trade & Investment. For these particular events, British Water receive grants on behalf of exhibitors which they distribute to these exhibitors. The income received is disclosed in grant claims for exhibitors and the matching costs are disclosed in grant recharges for exhibitors in the income and expenditure account.

Fixed assets investments

Fixed assets investments are stated at cost less any provision for diminution in value.

2 OPERATING SURPLUS

The operating surplus is stated after charging

	2013 £	2012 £
Hire of plant and machinery	4,137	311
Depreciation - owned assets	671	879
Auditors' remuneration	7,000	5,400
	<u>11,808</u>	<u>6,590</u>
Directors' remuneration and other benefits etc	161,441	152,682
	<u>173,249</u>	<u>159,272</u>

3 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2013 nor for the year ended 31 March 2012.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013

3 TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2013 £	2012 £
Surplus on ordinary activities before tax	<u>8,043</u>	<u>7,877</u>
Surplus on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2012 - 20%)	1,609	1,575
Effects of		
Depreciation	134	176
Disallowable expenses	1,000	660
Capital allowances	(199)	(276)
Franked investment income	(50)	(33)
Brought forward losses utilised	<u>(2,494)</u>	<u>(2,102)</u>
Current tax charge	<u>-</u>	<u>-</u>

4 TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1 April 2012	65,316
Disposals	<u>(1,247)</u>
At 31 March 2013	<u>64,069</u>
DEPRECIATION	
At 1 April 2012	64,045
Charge for year	671
Eliminated on disposal	<u>(1,247)</u>
At 31 March 2013	<u>63,469</u>
NET BOOK VALUE	
At 31 March 2013	<u>600</u>
At 31 March 2012	<u>1,271</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013**

5 FIXED ASSET INVESTMENTS

	Listed investments £
COST	
At 1 April 2012	3,298
Additions	190
At 31 March 2013	<u>3,488</u>
NET BOOK VALUE	
At 31 March 2013	<u>3,488</u>
At 31 March 2012	<u>3,298</u>

Market value of listed investments at 31 March 2013 - £4,311 (2012 - £4,473)

6 DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade debtors	141,808	110,816
Other debtors	223	548
Directors' current accounts	902	919
Prepayments and accrued income	24,973	28,151
	<u>167,906</u>	<u>140,434</u>

Trade debtors includes £109,309 (2012 £67,173) relating to March 2013 sales invoices raised by the company in respect of events that are to occur during the year ended 31 March 2014. The income on these events has been deferred and is disclosed net of VAT in note 7 within accruals and deferred income.

7 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade creditors	59,895	55,861
Social security and other taxes	8,941	10,026
VAT	11,756	29,627
Accruals and deferred income	161,614	117,745
	<u>242,206</u>	<u>213,259</u>

8 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	Land and buildings		Other operating leases	
	2013 £	2012 £	2013 £	2012 £
Expiring Between one and five years	<u>36,591</u>	<u>-</u>	<u>9,440</u>	<u>968</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013**

8 OPERATING LEASE COMMITMENTS - continued

Until the year ended 31 March 2013 the company occupied its premises on licence. The licence cost during year ended 31 March 2012 amounted to £33,687. The company now rents its premises under an operating lease agreement and the commitment to be paid within one year is disclosed.

The other operating lease commitments to be paid within one year relate to a photocopier lease amounting to £968 (2012: £968) and a computer equipment lease amounting to £8,472 (2012: £nil).

9 RESERVES

	Income and expenditure account £
At 1 April 2012	114,196
Surplus for the year	8,043
At 31 March 2013	<u>122,239</u>

10 TRANSACTIONS WITH DIRECTORS

The following loans to directors subsisted during the years ended 31 March 2013 and 31 March 2012

	2013 £	2012 £
D Neil-Gallacher		
Balance outstanding at start of year	277	1,701
Amounts advanced	4,929	1,605
Amounts repaid	(5,047)	(3,029)
Balance outstanding at end of year	<u>159</u>	<u>277</u>
Ms L I Thompson		
Balance outstanding at start of year	642	569
Amounts advanced	908	953
Amounts repaid	(807)	(880)
Balance outstanding at end of year	<u>743</u>	<u>642</u>

The balances above will be repaid within nine months of the year end

11 RECONCILIATION OF MOVEMENTS IN RESERVES

	2013 £	2012 £
Surplus for the financial year	8,043	7,877
Net addition to reserves	8,043	7,877
Opening reserves	114,196	106,319
Closing reserves	<u>122,239</u>	<u>114,196</u>