

**INSTITUTION OF WATER OFFICERS
FINANCIAL STATEMENTS
31ST DECEMBER 2001**

Company Registration Number 539193



INSTITUTION OF WATER OFFICERS

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2001

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INSTITUTION OF WATER OFFICERS

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

J. Stein
T.E. Boldero
J. Kelly
R.E. Partridge
B. Short
H. Broadhurst
B. Duckworth
P. Roberts
M.D. Walsh
K.E. McDowell
G.D. Baggaley
R.P.A. Siaens
B. Buckley
A.R.F. Cooke
C. Plimmer
A.H. Rae
A.M. Waite
D. Wood

Company secretary

L. Harding

Registered office

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

Auditors

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

Bankers

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

Halifax Plc
P.O. Box 1HA
Newcastle upon Tyne
NE99 1HA

Solicitors

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

INSTITUTION OF WATER OFFICERS

THE DIRECTORS' REPORT

YEAR ENDED 31ST DECEMBER 2001

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st December 2001.

PRINCIPAL ACTIVITIES

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

DIRECTORS

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

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

B. Buckley was appointed as a director on 26th April 2001.
A.R.F. Cooke was appointed as a director on 26th April 2001.
C. Plimmer was appointed as a director on 26th April 2001.
A.H. Rae was appointed as a director on 26th April 2001.
A.M. Waite was appointed as a director on 26th April 2001.
D. Wood was appointed as a director on 26th April 2001.

A.C. Swift resigned as a director on 26th April 2001.
K.J. North resigned as a director on 26th April 2001.
A.J. Harding resigned as a director on 26th April 2001.
J.M.P. Butcher resigned as a director on 26th April 2001.
F.J. Davis resigned as a director on 26th April 2001.

DIRECTORS' RESPONSIBILITIES

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

INSTITUTION OF WATER OFFICERS

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST DECEMBER 2001

DIRECTORS' RESPONSIBILITIES *(continued)*

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

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

AUDITORS

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

SMALL COMPANY PROVISIONS

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

Signed by order of the directors

Lynn Harding

L. Harding
Company Secretary

Approved by the directors on *5th March 2002*

INSTITUTION OF WATER OFFICERS
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
YEAR ENDED 31ST DECEMBER 2001

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

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on pages 2 to 3, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

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


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

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2001 and of the surplus of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

25 March 2002


TAIT WALKER
Chartered Accountants
& Registered Auditors

INSTITUTION OF WATER OFFICERS
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31ST DECEMBER 2001

	Note	2001 £	2000 £
TURNOVER		320,152	160,703
Cost of sales		<u>(129,568)</u>	<u>(59,043)</u>
GROSS SURPLUS		190,584	101,660
Administrative expenses		<u>(169,423)</u>	<u>(165,004)</u>
Other operating (expenses)/income		<u>(4,090)</u>	<u>17,837</u>
OPERATING SURPLUS/(DEFICIENCY)	2	17,071	(45,507)
Interest receivable	3	3,623	7,334
Interest payable		-	(1,534)
SURPLUS/(DEFICIENCY) ON ORDINARY ACTIVITIES BEFORE TAXATION		20,694	(39,707)
Tax on surplus/(deficit) on ordinary activities	4	<u>(362)</u>	<u>1,084</u>
SURPLUS/(DEFICIENCY) ON ORDINARY ACTIVITIES AFTER TAXATION		20,332	(38,623)
RETAINED SURPLUS/(DEFICIENCY) FOR THE FINANCIAL YEAR		<u>20,332</u>	<u>(38,623)</u>

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

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

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

INSTITUTION OF WATER OFFICERS


BALANCE SHEET

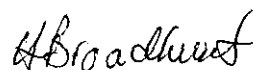
31ST DECEMBER 2001

	Note	2001 £	2000 £
FIXED ASSETS			
Tangible assets	5	92,093	94,081
Investments	6	40,000	40,000
		<u>132,093</u>	<u>134,081</u>
CURRENT ASSETS			
Debtors	7	130,553	48,108
Cash at bank		204,340	376,743
		<u>334,893</u>	<u>424,851</u>
CREDITORS: Amounts falling due within one year	8	<u>(159,998)</u>	<u>(272,276)</u>
NET CURRENT ASSETS		<u>174,895</u>	<u>152,575</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>306,988</u>	<u>286,656</u>
RESERVES	11		
Other reserves	12	29,138	29,138
Income and Expenditure Account	12	277,850	257,518
MEMBERS' FUNDS		<u>306,988</u>	<u>286,656</u>

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

These financial statements were approved by the directors on the 5th March 2002, and are signed on their behalf by:


J. Stein
Director


H. Broadhurst
Director

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

INSTITUTION OF WATER OFFICERS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2001

1. ACCOUNTING POLICIES

Basis of accounting

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

Consolidation

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

Cash flow statement

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

Turnover

The turnover shown in the income and expenditure account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

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

Leasehold Property - 115 years straight line

Furniture, Fittings & Equipment - 20% straight line

Operating lease agreements

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

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Building maintenance reserve

In recognition of potential future expenditure relating to maintenance of the company's leasehold property, the directors make an appropriate transfer from the accumulated income and expenditure account to the Building Maintenance reserve, on an annual basis, estimated amounts in respect of such future expenditure.

2. OPERATING SURPLUS/(DEFICIT)

Operating surplus/(deficit) is stated after charging:

	2001 £	2000 £
Directors' emoluments	-	-
Depreciation	2,415	3,043
Auditors' fees	4,100	3,960
Operating lease costs:		
Plant and equipment	<u>3,406</u>	<u>5,671</u>

INSTITUTION OF WATER OFFICERS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2001

3. INTEREST RECEIVABLE

	2001 £	2000 £
Bank interest receivable	3,623	7,300
Interest received from inland revenue	-	34
	<u>3,623</u>	<u>7,334</u>

4. TAX ON SURPLUS OR DEFICIT ON ORDINARY ACTIVITIES

	2001 £	2000 £
Corporation Tax based on the results for the year at 10% (2000 - 20%)	362	-
Adjustment in respect of previous years:		
Corporation Tax	-	(1,084)
	<u>362</u>	<u>(1,084)</u>

5. TANGIBLE FIXED ASSETS

	Leasehold Property £	Furniture, Fittings & Equipment £	Total £
COST			
At 1st January 2001	91,363	40,708	132,071
Additions	-	427	427
At 31st December 2001	<u>91,363</u>	<u>41,135</u>	<u>132,498</u>
DEPRECIATION			
At 1st January 2001	2,382	35,608	37,990
Charge for the year	795	1,620	2,415
At 31st December 2001	<u>3,177</u>	<u>37,228</u>	<u>40,405</u>
NET BOOK VALUE			
At 31st December 2001	<u>88,186</u>	<u>3,907</u>	<u>92,093</u>
At 31st December 2000	<u>88,981</u>	<u>5,100</u>	<u>94,081</u>

INSTITUTION OF WATER OFFICERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2001

6. INVESTMENTS

	Eurocom (U.K.) Limited
	£
COST	
At 1st January 2001 and 31st December 2001	<u>40,000</u>
NET BOOK VALUE	
At 31st December 2001	<u>40,000</u>
At 31st December 2000	<u>40,000</u>

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

The aggregate capital and reserves of Eurocom (U.K.) Limited at 31st December 2001 are £44,217. The results for the year ended on this date was £Nil and the aggregate total of the investment under the equity method was £44,217.

7. DEBTORS

	2001	2000
	£	£
Trade debtors	93,116	35,966
Other debtors	-	4,180
Prepayments and accrued income	37,437	7,962
	<u>130,553</u>	<u>48,108</u>

8. CREDITORS: Amounts falling due within one year

	2001		2000
	£	£	£
Bank loans and overdrafts	80,000		150,000
Trade creditors	1,726		5,628
Amounts owed to related undertakings	44,217		44,217
Corporation tax	362		-
Other taxation and social security	11,939		12,070
Other creditors	38		-
	<u>12,339</u>		<u>12,070</u>
Accruals and deferred income	21,716		60,361
	<u>159,998</u>		<u>272,276</u>

9. PENSIONS

The company contributes to certain employees personal pension schemes, the assets of which are held in separately administered funds. The pension cost charge represents contributions payable by the company and amounted to £2,451 (2000 - £2,222). As at 31st December 2001, pension contributions of £38 (2000 - £Nil) were payable by the company.

INSTITUTION OF WATER OFFICERS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2001

10. COMMITMENTS UNDER OPERATING LEASES

At 31st December 2001 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets Other Than Land & Buildings	
	2001	2000
	£	£
Operating leases which expire:		
Within 2 to 5 years	<u>2,720</u>	<u>5,464</u>

11. COMPANY LIMITED BY GUARANTEE

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

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

12. RESERVES

	Income and expenditure account	Building Maintenance Reserve
	£	£
Opening balance	257,518	29,138
Retained surplus for the year	<u>20,332</u>	
Balance carried forward	<u>277,850</u>	<u>29,138</u>

INSTITUTION OF WATER OFFICERS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2001

13. MOVEMENT ON COMPANY RESERVES

	At 1st January 2001	Surplus / (Deficit)	At 31st December 2001
National Funds			
General	172,606	29,345	201,951
Founders Fund	10	-	10
	<u>172,616</u>	<u>29,345</u>	<u>201,961</u>
Area Funds			
Northern Ireland	4,274	3,624	7,898
South Eastern	7,114	220	7,334
South Western	6,534	(5,150)	1,384
Midlands	8,000	114	8,114
North Wales and Cheshire	10,083	183	10,266
South Wales	10,219	(2,356)	7,863
Eastern	39,877	(3,783)	36,094
Northern	13,888	(3,177)	10,711
Scotland	14,051	1,312	15,363
	<u>286,656</u>	<u>20,332</u>	<u>306,988</u>