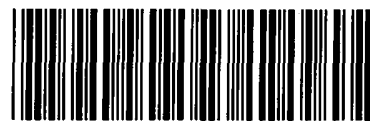


Company Registration No. 02862807 (England and Wales)

**UK WATER INDUSTRY RESEARCH LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE NOT HAVING A SHARE**  
**CAPITAL)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**UK WATER INDUSTRY RESEARCH LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE NOT HAVING A SHARE**  
**CAPITAL)**  
**COMPANY INFORMATION**

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<b>Directors</b>	C D Newsome	
	H Jensen	
	S Barnes	
	R Warneford	
	S Parsons	
	P Brow	
	D Elliott	
	L Sonden	
	A Harrington	
	R Stear	
	J Harrison	
	M Worsfold	
	C Williams	(Appointed 15 April 2016)
	A Hoyle	(Appointed 14 April 2016)
	Mr S Hughes	(Appointed 26 October 2017)
	Mr S George	(Appointed 26 October 2017)
<b>Company number</b>	02862807	
<b>Registered office</b>	Third Floor 36 Broadway London SW1H 0BH	
<b>Auditor</b>	BHP LLP 2 Rutland Park Sheffield S10 2PD	
<b>Bankers</b>	Yorkshire Bank 81 Carlton Street Castleford West Yorkshire WF10 1BW	

**UK WATER INDUSTRY RESEARCH LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE NOT HAVING A SHARE**  
**CAPITAL)**  
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Directors' responsibilities statement	4
Independent auditor's report	5 - 6
Profit and loss account	7
Balance sheet	8
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**UK WATER INDUSTRY RESEARCH LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE NOT HAVING A SHARE**  
**CAPITAL)**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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The company directs and procures a programme of research for UK and the Irish Republic water operating companies on "one voice" issues. This is the company's twentieth annual report and audited accounts and covers the year to 31 March 2017.

**Constitutinal framework**

Since 1999, the Board of UK Water Industry Research Limited (UKWIR) has played a strategic role on behalf of the water industry in setting the direction for research and being responsible for the development and delivery of the programme. This role also requires agreement on business needs driving research and determination of overall priorities. Each spring the Board agrees its advice on strategic priorities, which is disseminated to all UKWIR members prior to the Advisory Group meetings held in May and September. Part of the Board's function is to enhance the benefit and value obtained by members by instigating collaboration with other bodies where appropriate. Directors continue to be appointed to the Board from amongst senior industry representatives whose experience covers a wide range of disciplines and interests.

**Directors**

The directors and officers at 31 March 2017 are shown on the company information pages, together with any subsequent changes.

C D Newsome

H Jensen

S Barnes

R Collington

(Resigned 1 June 2017)

R Warneford

S Parsons

P Brow

W Staden

(Resigned 11 August 2017)

D Elliott

L Sonden

A Harrington

R Stear

J Harrison

M Worsfold

C Williams

(Appointed 15 April 2016)

A Hoyle

(Appointed 14 April 2016)

Mr S Hughes

(Appointed 26 October 2017)

Mr S George

(Appointed 26 October 2017)

**UK WATER INDUSTRY RESEARCH LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE NOT HAVING A SHARE**  
**CAPITAL)**  
**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**Results and dividends**

The results for the year are set out on page 7.

Income from member subscriptions totaled £2,426,242 for the 2016/17 programme.

Project management continues to be performed by a mixture of resources from within the water industry and external consultants. Tender prices for planned projects proved to be attractive with contractors offering competitive rates. The Board agreed that the current level of funds carried forward should be used to supplement the annual subscription in a managed way over the coming years as they anticipate that the demand for research investment may exceed income as the business planning cycle progresses.

UKWIR continues to publish reports from research projects and 23 reports were produced and circulated during the year. The UKWIR website ([www.ukwir.org](http://www.ukwir.org)) is used to publicise the UKWIR programme and water research related news. Reports are listed on the web site and public domain reports can be purchased on-line. Many UKWIR members now download UKWIR reports directly from secure areas of the web site.

Project dissemination through seminars and workshops continues; these continue to be viewed as beneficial and are well attended by companies' representatives, who continue to give positive feedback on the value of these events. During 2016/17 a total of 12 project workshops were held, bringing together a total of over 1000 delegates.

**Future developments**

UKWIR views the dissemination and implementation of technical results as crucial and has asked contractors to plan for and arrange technology transfer workshops at the conclusion of projects. UKWIR will seek to utilise all opportunities to disseminate information arising from its research programme into the industry.

Water UK council members continue to be provided on a bi-monthly basis with an UKWIR briefing sheet that summarises the value and benefits to members achieved from a particular project area.

'UKWIR News' is published on a quarterly basis both separately and as an insert to the CIWEM (The Chartered Institute of Water and Environment Management) Water and Environment magazine. It is circulated to approximately 12,000 industry professionals around the world. The News is also distributed electronically as well as in hard copy with the circulation list kept under review.

UKWIR's website has continued to be developed to facilitate a number of activities, such as gathering research ideas and prioritising research options, managing UKWIR's publications, publicising and registration for dissemination events, room booking and completion of quarterly reports by UKWIR's project managers. Plans for further developments are continually under review, including incorporation of teleconferencing and webinar technologies to give wider access to UKWIR events.

**Auditor**

Since 10 April 1995, elective resolutions have been in force to dispense with the holding of annual general meetings, the laying of accounts before the company in general meeting and the obligation to re-appoint auditors annually.

**Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

**UK WATER INDUSTRY RESEARCH LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE NOT HAVING A SHARE**  
**CAPITAL)**  
**DIRECTORS' REPORT (CONTINUED)**  
***FOR THE YEAR ENDED 31 MARCH 2017***

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This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



H Jensen

**Director**

12 December 2017

**UK WATER INDUSTRY RESEARCH LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE NOT HAVING A SHARE**  
**CAPITAL)**  
**DIRECTORS' RESPONSIBILITIES STATEMENT**  
***FOR THE YEAR ENDED 31 MARCH 2017***

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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 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.

**UK WATER INDUSTRY RESEARCH LIMITED  
(A COMPANY LIMITED BY GUARANTEE NOT HAVING A SHARE  
CAPITAL)  
INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF UK WATER INDUSTRY RESEARCH LIMITED**

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We have audited the financial statements of UK Water Industry Research Limited for the year ended 31 March 2017 set out on pages 8 to 20. 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), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

**Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities the company's 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). These 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 Directors' report to identify material inconsistencies within the audited financial statements and to identify any information that is materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing our audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications in 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 2017 and of its profit 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 matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Directors' Report has been prepared in accordance with applicable legal requirements.



**UK WATER INDUSTRY RESEARCH LIMITED  
(A COMPANY LIMITED BY GUARANTEE NOT HAVING A SHARE  
CAPITAL)  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
TO THE MEMBERS OF UK WATER INDUSTRY RESEARCH LIMITED**

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

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

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

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

**Philip Allsop (Senior Statutory Auditor)  
for and on behalf of BHP LLP**

12 December 2017

**Chartered Accountants  
Statutory Auditor**

2 Rutland Park  
Sheffield  
S10 2PD

**UK WATER INDUSTRY RESEARCH LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE NOT HAVING A SHARE**  
**CAPITAL)**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	2017 £	2016 £
Turnover		3,899,919	4,726,881
Cost of sales		(3,177,858)	(3,937,068)
<b>Gross profit</b>		<b>722,061</b>	<b>789,813</b>
Administrative expenses		(714,895)	(793,276)
<b>Operating profit/(loss)</b>		<b>7,166</b>	<b>(3,463)</b>
Interest receivable and similar income		2,722	3,715
<b>Profit before taxation</b>		<b>9,888</b>	<b>252</b>
Tax on profit		(544)	(995)
<b>Profit/(loss) for the financial year</b>		<b>9,344</b>	<b>(743)</b>


**UK WATER INDUSTRY RESEARCH LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE NOT HAVING A SHARE**  
**CAPITAL)**  
**BALANCE SHEET**

**AS AT 31 MARCH 2017**

	Notes	2017 £	£	2016 £	£
<b>Current assets</b>					
Debtors	3	602,964		1,404,992	
Cash at bank and in hand		3,875,899		2,122,451	
		<u>4,478,863</u>		<u>3,527,443</u>	
<b>Creditors: amounts falling due within one year</b>	4	<u>(4,476,346)</u>		<u>(3,534,270)</u>	
<b>Net current assets/(liabilities)</b>			<u>2,517</u>		<u>(6,827)</u>
<b>Capital and reserves</b>					
Profit and loss reserves			<u>2,517</u>		<u>(6,827)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 12 December 2017 and are signed on its behalf by:



C D Newsome  
**Director**

**Company Registration No. 02862807**

**UK WATER INDUSTRY RESEARCH LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE NOT HAVING A SHARE**  
**CAPITAL)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**1 Accounting policies**

**Company information**

UK Water Industry Research Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Third Floor, 36 Broadway, London, SW1H 0BH.

**1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2017 are the first financial statements of UK Water Industry Research Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

**1.2 Turnover**

Income represents contributions from members of the company and collaborators, shared income from the sale of toxicity datasheets and sales of reports, excluding Value Added Tax.

Revenue from the sale of reports and toxicity datasheets is recognised at the point of transaction.

Member contribution income represents the agreed annual amounts which each member contributes towards the ongoing projects and running costs of UK Water Industry Research Limited. Any contributions from members at the end of the reporting period in excess of the annual overheads and project costs are carried forward as deferred income for use in the next period.

Project contribution income is recognised by reference to the achievement of set project milestones. Any excess project income for milestones not yet achieved at the end of the reporting period is treated as deferred income.

**1.3 Cash and cash equivalents**

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks.

**UK WATER INDUSTRY RESEARCH LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE NOT HAVING A SHARE**  
**CAPITAL)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

---

**1 Accounting policies**

**(Continued)**

**1.4 Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

**1.5 Taxation**

The tax expense represents the sum of the tax currently payable.

***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

**UK WATER INDUSTRY RESEARCH LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE NOT HAVING A SHARE**  
**CAPITAL)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2017**

**1 Accounting policies**

**(Continued)**

**1.6 Retirement benefits**

For staff employed by UKWIR prior to May 2000, the company participates in the Water Companies' Pension Scheme (WCPS), a defined benefit scheme. WCPS is a multi-employer scheme and is managed by corporate trustees, the Water Companies (Pension Fund) Trustee Company, and is accounted for separately from the company's finances. From 1 April 2003 the UKWIR sub-fund of WCPS was merged with that of Water UK and thereafter will pay contributions as requested by Water UK on the basis of actuarial advice. As it is not possible to identify the company's share of the underlying assets and liabilities in the scheme on a consistent and reliable basis, contributions to the scheme area accounted for as though it were a defined contributions scheme on a contributions payable basis.

From 1 May 2000, new employees have been offered a personal pension arranged by UKWIR. The amount charged to profit and loss account represent the amounts contributed during the period.

**1.7 Foreign exchange**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to income and expenditure account.

**2 Employees**

The average monthly number of persons (including directors) employed by the company during the year was 4 (2016 - 4).

**3 Debtors**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	353,925	236,065
Other debtors	249,039	1,168,927
	<u>602,964</u>	<u>1,404,992</u>

**UK WATER INDUSTRY RESEARCH LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE NOT HAVING A SHARE**  
**CAPITAL)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2017**

**4 Creditors: amounts falling due within one year**

	2017 £	2016 £
Trade creditors	798,105	501,634
Corporation tax	1,286	743
Other creditors	3,676,955	3,031,893
	<u>4,476,346</u>	<u>3,534,270</u>

Other creditors are as follows:

	2017 £	2016 £
Deferred income - subscriptions	897,568	-
Deferred income - project contributions	649,222	376,558
Deferred income - phosphorous fund	1,741,146	2,276,700
Other creditors	389,019	378,635
	<u>3,676,955</u>	<u>3,031,893</u>

**5 Operating lease commitments**

**Lessee**

Operating lease payments represent rentals payable by the company for its property. Leases are normally negotiated on a short term basis.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2017 £	2016 £
	<u>35,000</u>	<u>109,510</u>

**6 Directors' transactions**

Each director of UK Water Industry Research Limited is also a director or senior manager of either a water service company or a water supply company within the United Kingdom and the Irish Republic. These companies are also members of UK Water Industry Research Limited and together provide contributions from members of £2,426,242 (2016 £3,632,973). In addition these companies undertake contracts with UK Water Industry Research Limited throughout the year. Disclosure of each transaction would result in unnecessary cost and delay due to the number of transactions between UK Water Industry Research Limited and these companies.

**UK WATER INDUSTRY RESEARCH LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE NOT HAVING A SHARE  
CAPITAL)**

**MANAGEMENT INFORMATION**  
**FOR THE YEAR ENDED 31 MARCH 2017**



**UK WATER INDUSTRY RESEARCH LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE NOT HAVING A SHARE**  
**CAPITAL)**

**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 MARCH 2017**

		2017		2016
	£	£	£	£
<b>Turnover</b>				
Member contributions		2,426,242		3,632,973
Publication sales		21,255		19,865
Project contributions		598,868		1,074,043
Phosphorous income		853,554		-
		<u>3,899,919</u>		<u>4,726,881</u>
<b>Cost of sales</b>				
Contractors	3,177,858		3,937,068	
		<u>(3,177,858)</u>		<u>(3,937,068)</u>
<b>Gross profit</b>	18.51%	722,061	16.71%	789,813
<b>Administrative expenses</b>		<u>(714,895)</u>		<u>(793,276)</u>
<b>Operating profit/(loss)</b>		7,166		(3,463)
<b>Investment revenues</b>				
Bank interest received	2,722		3,715	
		<u>2,722</u>		<u>3,715</u>
<b>Profit before taxation</b>	0.25%	<u>9,888</u>	0.01%	<u>252</u>

**UK WATER INDUSTRY RESEARCH LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE NOT HAVING A SHARE**  
**CAPITAL)**

**SCHEDULE OF ADMINISTRATIVE EXPENSES**

**FOR THE YEAR ENDED 31 MARCH 2017**

	2017 £	2016 £
<b>Administrative expenses</b>		
Wages and salaries	150,442	120,011
Social security costs	32,474	27,850
Staff pension costs defined contribution	4,071	20,869
Directors' remuneration	134,869	136,422
Directors' pension costs - defined contribution scheme	7,916	11,336
Rent re operating leases	130,151	161,686
Premises insurance	21,785	17,426
Computer running costs	24,979	20,351
Travelling expenses	38,581	26,218
Catering costs	57,943	110,896
Legal and professional fees	42,179	35,105
Non audit remuneration paid to auditors	457	745
Audit fees	4,500	6,737
Reports	48,040	73,353
Bank charges	49	137
Postage, stationery and telephone	9,246	11,009
Newsletters	6,630	6,000
Sundry expenses	5,242	7,125
Profit or loss on foreign exchange	(4,659)	-
	<u>714,895</u>	<u>793,276</u>