

Registration number 03102176

Albion Water Limited
Abbreviated accounts
for the year ended 31 March 2015

SATURDAY



A4J5ZZKX

A11

31/10/2015

#165

COMPANIES HOUSE

Albion Water Limited

Contents

	Page
Auditors' report	1
Abbreviated balance sheet	2
Notes to the financial statements	3 - 5

**Independent auditors' report to Albion Water Limited
under Section 449 of the Companies Act 2006**

We have examined the abbreviated accounts set out on pages 2 to 5 together with the financial statements of Albion Water Limited for the year ended 31 March 2015 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

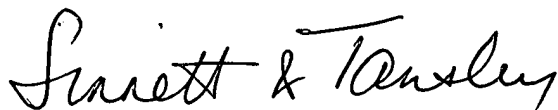
In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with those provisions.

Emphasis of Matter - The supply price of water

In forming our opinion on the financial statements, which is not modified, we have considered the following matter:

The adequacy of the disclosure made in note 15 to the financial statements concerning the outcome of the final determination concerning the price of water purchased by the company for resale.

The ultimate outcome of the matter cannot presently be determined so no provision has been made in the accounts for any liability greater than that already provided for, nor has income been recognised in respect of any determination that would be less than that already provided for.



.....
Mark H Rogers (senior statutory auditor)
Sinnott & Tansley Limited
Chartered Accountants & Statutory Auditors

14.10.15

3 Richfield Place
Richfield Avenue
Reading RG1 8EQ

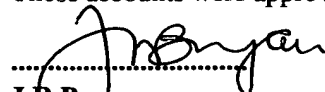
Albion Water Limited

**Abbreviated balance sheet
as at 31 March 2015**

		2015		2014	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	2		308,097		270,107
Current assets					
Debtors		619,250		2,002,499	
Cash at bank and in hand		2,118,989		1,815,460	
		<u>2,738,239</u>		<u>3,817,959</u>	
Creditors: amounts falling due within one year		<u>(2,580,808)</u>		<u>(3,617,416)</u>	
Net current assets			<u>157,431</u>		<u>200,543</u>
Total assets less current liabilities			465,528		470,650
Provisions for liabilities			<u>(335,124)</u>		<u>(371,982)</u>
Net assets			<u>130,404</u>		<u>98,668</u>
Capital and reserves					
Called up share capital	3		1		1
Profit and loss account			<u>130,403</u>		<u>98,667</u>
Shareholders' funds			<u>130,404</u>		<u>98,668</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective January 2015) relating to small companies.

These accounts were approved by the directors on 13.10.2015 and are signed on their behalf by:



J R Bryan
 Director

Registration number 03102176

The notes on pages 3 to 5 form an integral part of these financial statements.

Albion Water Limited

Notes to the abbreviated financial statements for the year ended 31 March 2015

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.2. Turnover

Turnover represents the fair value of the income receivable in the ordinary course of business for goods and services provided. Turnover is recognised at the time of delivery of the service. Should the Company consider that the criteria for revenue recognition are not met at the time of a transaction, recognition of the associated turnover would be deferred until such time as the criteria have subsequently been met. No adjustment is made to turnover for estimated bad debt charges. These are charged to operating expenses.

1.3. Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred.

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	No depreciation on land
Plant and machinery	-	2 years straight line
Infrastructure	-	100 years straight line
Sewage treatment works	-	60 years straight line
Mechanical & Electrical	-	10 /20 years straight line

The company now has licences to operate in two areas, Knowle (sewerage) and Upper Rissington (water and sewerage). These were (are being in the case of Rissington) acquired at nil value. The commercial value of the assets are depreciated at rates shown above and are then negated by a similar amount to reflect that consideration was nil.

1.5. Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings.

Albion Water Limited

Notes to the abbreviated financial statements for the year ended 31 March 2015

..... continued

1.7. Exceptional items

Exceptional items are income or expenditure, which individually or, if of a similar type, in aggregate should, in the opinion of the directors, be disclosed by virtue of their size or nature if the financial statements are to give a true and fair view.

2. Fixed assets	Tangible fixed assets £
Cost or valuation	
At 1 April 2014	4,854,272
Additions	4,271,211
Revaluation	(3,772,271)
At 31 March 2015	<u>5,353,212</u>
Depreciation	
At 1 April 2014	382,094
Charge for year	165,851
Revaluation	(512,830)
At 31 March 2015	<u>35,115</u>
Net book values	
At 31 March 2015	<u>5,318,097</u>
At 31 March 2014	<u>4,472,178</u>

3. Share capital	2015 £	2014 £
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>
Equity Shares		
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

4. Ultimate parent undertaking

The ultimate holding company is Albion Water Group Limited, a company incorporated in England.

Albion Water Limited

Notes to the abbreviated financial statements for the year ended 31 March 2015

..... continued

5. Uncertainty with regard to the supply price of water

The accounts for the year ended 31st March 2012 contained provision for £842,000 claimed by Dwr Cymru as compensation under the terms of a Final Determination of the bulk supply for the Shotton site, for which Albion is the inset appointee. Compensation is calculated for the period from 22nd February 2010 to 31st October 2011, the date of Ofwat's determination and has the force of law. Albion applied for permission to proceed to Judicial Review of Ofwat's decision and upon receiving Albion's submissions and in the light of Dwr Cymru's failure to provide full disclosure of relevant evidence, Ofwat withdrew its Final Determination. Ongoing prices have reverted to the lower levels in Ofwat's Interim Determination, which has also had the effect of quashing the award of compensation. The company is in negotiations under Ofwat's supervision to set the price of the supply of water for the period from 22nd February 2010. Pending the outcome of these negotiations the directors have applied a price that they think is prudent and reasonable taking into account circumstances.

The comparative figures have been amended to reflect the adjustment in the above provision as an exceptional administration expense rather than a direct cost of sale as in previous years.