

BOARD MEETING

Minutes of a meeting of the British Waterways Board (the **Board**) held at British Waterways, 1 Sheldon Square, Paddington Central, London W2 6TT on Thursday 16 June 2010 at 10.00 a.m.

PRESENT:

Mr T Hales Chairman
Mr J Bywater
Mr R Green
Dr J Hargreaves
Mr D Sutherland

IN ATTENDANCE:

Mr R Evans Chief Executive
Mr N Johnson Corporate Services Director
Mr P Ridal Finance Director
Mr S Salem Marketing Director
Mr M Devin Prism Cosec, Secretary of the Meeting

APOLOGIES

Mr J Bridgeman
Mr N Hugill
Mr P Sarwal

ANNUAL REPORT & ACCOUNTS FOR THE YEAR TO 31 MARCH 2011 (BWB 3424)

- 11/094 **Annual Accounts Report:** Mr Ridal presented his report on the Annual Report and Accounts for the year-ended 31 March 2011 noting that the accounts had been finalised with no material changes to the version previously reviewed by the Audit Committee.
- 11/095 **Audit Committee Report:** In the absence of Mr Hugill, Mr Hales reported on the meeting of the Audit Committee held on 8 June 2011 which had reviewed the year-end audit. Overall it had gone well with only relatively minor audit-related issues for the Committee to consider.

The principal change to the accounts presented to the Board in May related to BW Re-insurance, where the loss adjuster had recommended an additional provision of £500k for a personal injury claim. This had increased the CBT deficit from £7.2m to £7.7m.

Mr Ridal explained that going concern was the key issue. The assumptions in the business plans and cashflow forecasts supported the view that there is sufficient liquidity for the Group to continue as a going concern for the foreseeable future. However, the special circumstances to consider were the continuation of BW in Scotland following the transfer of BW England and Wales business and activities to the NWC in April 2012. These underlined the importance of ensuring that BW in Scotland was a going concern as at 31 March 2012. A sub-committee of the Board had

been constituted to oversee the separation and make recommendations to both governments. Ensuring the financial viability of BW in Scotland (assuming continuing grant support from the Scottish government) would be a guiding principle of the sub-committee's recommendations.

On the basis of existing cash resources, forward trading outlook and the principles underpinning the proposed transfer of BW England and Wales business and activities into NWC, it was deemed reasonable for the Board to conclude that it would be able to continue to fund its operations for at least 12 months from the date of approval of the accounts and that the going concern basis of preparation is appropriate for the 2011 Group accounts.

11/096 **Approval:** It was agreed that the Chairman's Statement, Group Overviews, the Finance Review, the Directors' Remuneration Report, the Corporate Governance Report, the Board Members Report and the Financial Statements be approved for publication, subject to final checking. Messrs Hales and Evans were authorised to approve any final proof-checking adjustments.

TH/RE

Mr Johnson was authorised to sign the Board Report, the Corporate Governance Report and the Directors' Remuneration Report on behalf of the Board. Messrs Hales and Evans were authorised to sign the balance sheet on behalf of the Board.

NJ/TH/RE

There being no further business the meeting concluded at 10.30am

Chairman