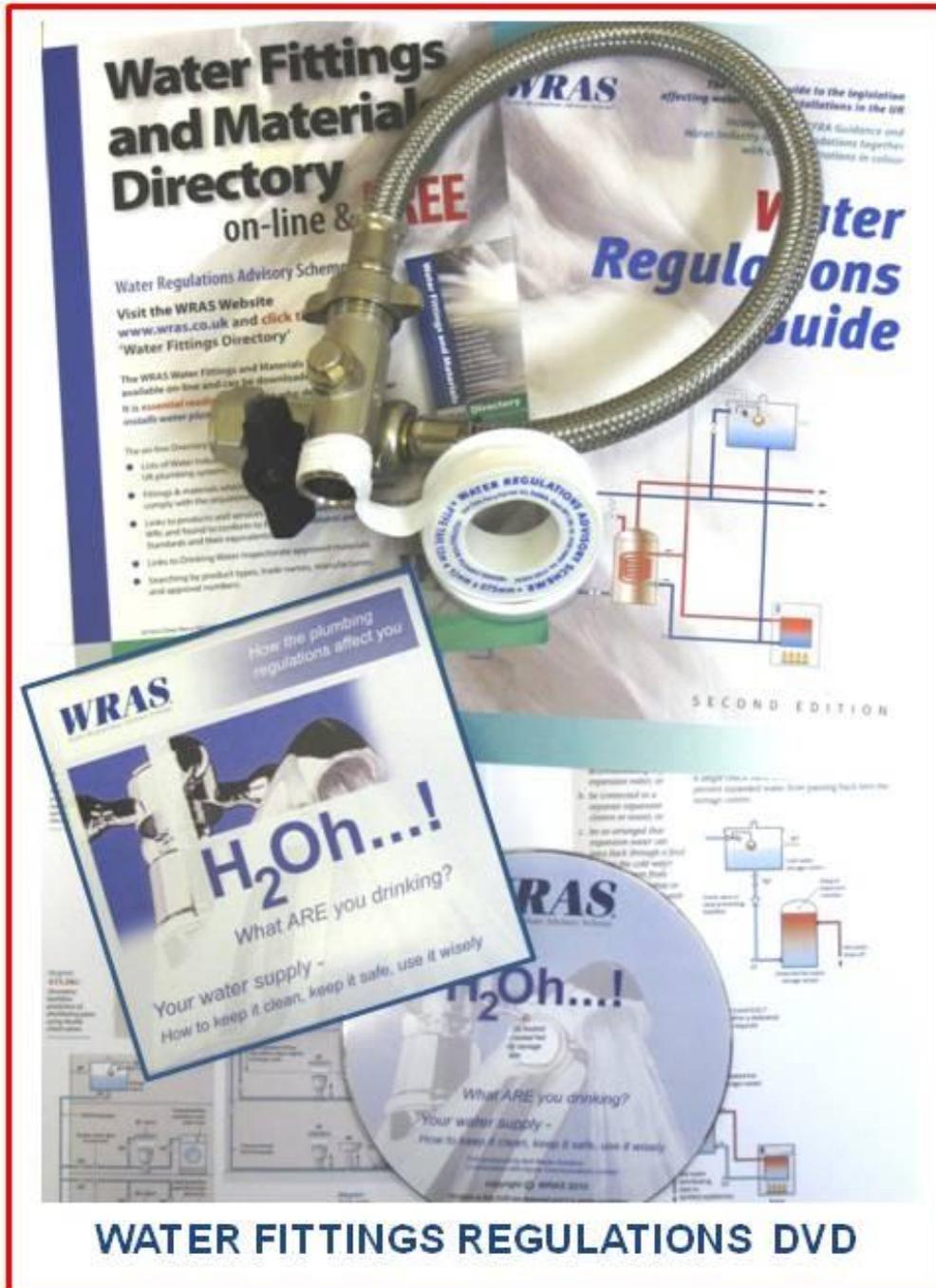


ANNUAL REPORT FOR THE MEMBERS



April 2010 - March 2011

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| Section | CONTENTS | Page |
|----------|--|----------|
| | CHAIRMAN'S REPORT | 1 |
| 1 | PROMOTION OF THE REGULATIONS AND BYELAWS | 2 |
| 2 | WRAS APPROVAL | 2 |
| 3 | SUPPORT AND REPRESENTATION OF WATER SUPPLIERS | 4 |
| 4 | APPROVED CONTRACTORS SCHEMES | 5 |
| 5 | MARKET RESEARCH AND WRAS BUSINESS DEVELOPMENT | 6 |
| 6 | WRAS GOVERNANCE | 6 |
| 7 | FINANCIAL SUMMARY | 7 |

The Water Regulations Advisory Scheme Ltd is a company limited by guarantee. It is owned by 25 UK statutory water suppliers and one Crown Dependency water supplier, who are the Members. In addition to these, one inset appointee and the water suppliers to two Crown Dependencies subscribe to the Scheme's services.



WRAS Ltd, 30 Fern Close, Pen-y-Fan Industrial Estate, OAKDALE, Gwent, NP11 3EH

Cover Picture: Copies of the WRAS DVD which provides an introduction to the Water Fittings Regulations and Byelaws are available from WRAS or can be viewed on the website www.wras.co.uk.

CHAIRMAN'S REPORT

WRAS continued to represent Water Suppliers, promote knowledge of the Water Fittings Regulations and Scottish Water Byelaws and their consistent interpretation and enforcement, approve products and materials and administer the Water Industry Approved Plumbers Scheme. A review of the Water Fittings Regulations by Government was postponed, becoming subject to a broader review of environmental legislation by the incoming Coalition and other government initiatives to reduce regulation and 'red tape'.

WRAS exists to serve the various stakeholders who need and use its services. The views of representatives of all these users were sought in a market research study. The WRAS Board will use the findings of this study to shape the future direction of WRAS Ltd.

The Drinking Water Inspectorate (DWI) has encouraged Water Suppliers to use Water Safety Plans to assess and reduce the risk of contamination of drinking water in the collection, treatment and distribution of water supplies which come directly under their management. The fourth part of the Water Safety Plan relates to the quality of drinking water in the privately-owned plumbing systems in premises, where the DWI has emphasised that risk reduction relies greatly on compliance with the Water Fittings Regulations and Scottish Water Byelaws. Water fittings manufacturers, plumbing system designers and installers are all targeted by WRAS with information to encourage the compliance of their work.

During the year, the Chief Inspector of DWI expressed concern that Water Suppliers were not adequately enforcing the Water Fittings Regulations and organised a review of each Supplier's enforcement. In advance of publication of the review report, the Chief Inspector has indicated that the Inspectorate will not hesitate to take statutory action against Water Suppliers if further drinking water contamination incidents occur in premises due to inadequate enforcement of the Water Fittings Regulations.

WRAS will continue to support Water Suppliers' Regulations staff in their work of enforcement, providing interpretation, promoting good practice and encouraging benchmarking by a voluntary reporting system for enforcement activities.

Approved Contractors Schemes were introduced under the Regulations to promote competent installers and discourage the use of 'cowboy plumbers'. With seven schemes operating in the UK there is no single mark of competence which consumers nationally can recognise. With Water UK, and supported by Government and trade associations, WRAS has gained the agreement in principle of the seven operators to form an over-arching national Plumbing Assurance Scheme to provide a single 'brand' which can be promoted nationally. Existing Approved Contractors will gain from greater visibility for their business and fewer corner- and cost-cutting competitors, customers will have confidence in the workmanship and integrity of their chosen plumber and Water Suppliers will be able to concentrate their resources on inspection of those who are not registered as competent.

Financially, it was another satisfactory year for WRAS and the Water Industry Approved Plumbers Scheme, with savings resulting from becoming independent of the former service provider going to a reserve fund for future Scheme activities.



Stephen Kay

Chairman, WRAS Ltd

1 PROMOTION OF THE WATER FITTINGS REGULATIONS AND BYELAWS

The principal purpose of WRAS is to promote the Water Fittings Regulations and Scottish Water Byelaws, and during the year this was done by answering technical queries, giving presentations, writing both regular and occasional articles for magazines and, for the first time, preparing a DVD on the Water Fittings Regulations. The 12 minute DVD can be viewed and downloaded from the website and copies are available for Water Suppliers to distribute to their customers.

During the year advisory leaflets were updated on marking recycled water pipework, on the use of EPDM non-metallic material in contact with water, the selection of supply pipes for use in contaminated land and sizing of the AB air-gap slot. Preparatory work on other booklets was also started. Sales of the Water Regulations Guide halved to about 2,700 copies, thought to be caused by the reduction in construction and demand for training.

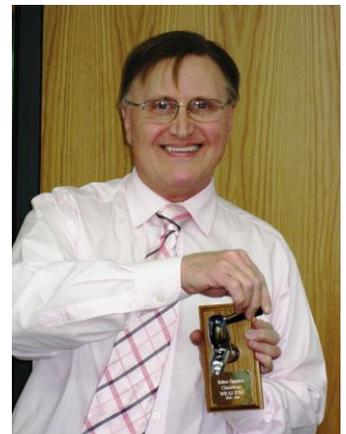
WRAS made presentations at conferences and seminars and visited trade exhibitions to explain to manufacturers and suppliers how their fittings and appliances need to comply with the Water Fittings Regulations.

2 WRAS APPROVAL

Another important task for WRAS is the administration of the WRAS Approval scheme for water fittings and materials, undertaken on behalf of Water Suppliers who enforce the Regulations. Manufacturers who seek the voluntary approval have their products tested by independent test laboratories and submit the test report with their application to WRAS, where staff check the completeness and accuracy of the application before submitting it to the Product Assessment Group (PAG).

WRAS is grateful for the continued support of Water Suppliers who allowed their experienced Regulations staff who comprise the Product Assessment Group to attend the eight approval meetings throughout the year. In March a presentation was made to Mr Robert Chambers of Bristol Water, who received thanks from the Scheme and the PAG on his retirement after 13 years as a member of the Group, nine of them as its Chairman.

The Group inspected products and checked their compliance with the requirements of the Regulations. It also offer interpretation of the testing requirements and provided manufacturers of innovative products with a preliminary opinion on compliance before the product was committed to production. Working long hours on each occasion, the Group assessed a total of nearly 900 applications covering many types of products, with applications often comprising many different sizes of fittings within the product ranges.



Bob Chambers
Chairman PAG 2002-11

Demand for WRAS Approval has fluctuated year by year, but in 2010-11 it returned to the level of 2006-7 (See Figure 1).

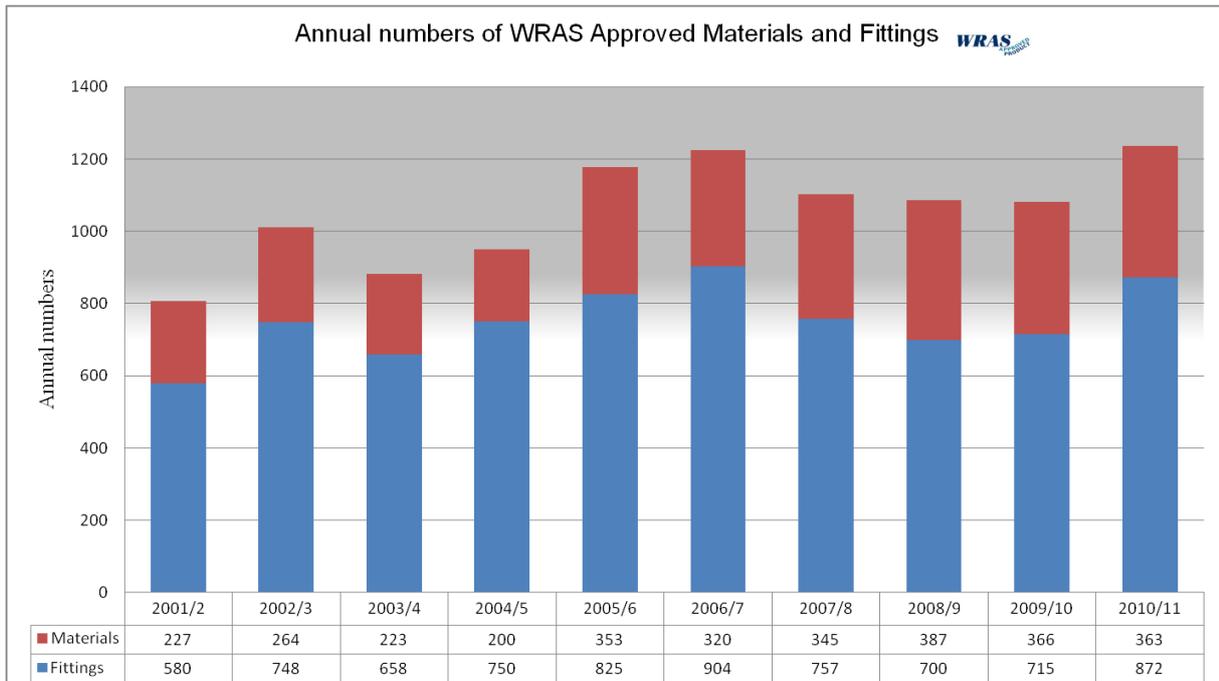
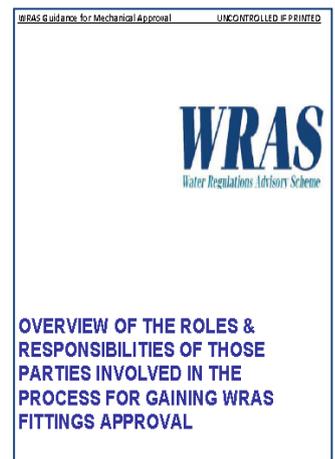


Figure 1: Annual numbers of WRAS Approved Fittings and Materials

The Scheme is aware that some manufacturers find the WRAS Approval application process takes a long time and can suffer from last minute problems. Although these are often associated with the testing process before applications reach WRAS for checking, with the PAG, the Technical Committee and test laboratories, WRAS has been looking at ways to improve the overall experience. The tasks for the applicant, the test laboratory and WRAS in the approval process were clarified in a “Roles and Responsibilities” guide published on the website. In a move to improve customer service, WRAS has introduced performance measures for the WRAS Approval process, covering the test laboratories and WRAS staff, with the intention of publishing the results of monitoring performance in due course.

WRAS is also preparing a ‘pre-check’ service, where applications can be submitted to the Scheme for checking before reaching the test laboratory, saving time on checking when the testing is completed and avoiding last-minute delays. Discussions also began with some large manufacturers about alternative ways of assessing products to gain WRAS Approval.

Non-metallic materials are also approved by WRAS to assist manufacturers of fittings in finding suitable materials for components in contact with water in their products. Using the British Standard BS 6920, WRAS staff seek to minimise the need for expensive testing of product ranges by selecting only those tests which would be affected by the variations in product across the range. This can require a detailed knowledge of materials and the Scheme was fortunate to



obtain the help of a very experienced scientist who was appointed as a part-time Materials Adviser on his retirement from full-time employment.

3 SUPPORT AND REPRESENTATION OF WATER SUPPLIERS

Two water suppliers, Jersey Water and Independent Water Networks Ltd., became new subscribers to the WRAS service during the year, joining the 26 statutory water suppliers in the UK who are already subscribers.

Regular meetings of the Technical Support Groups gave regulations managers the opportunity to network with each other, to find appropriate solutions to practical problems arising from enforcement in their areas and to develop consistent interpretations of the Regulations and Byelaws. Amongst the topics on which WRAS' help was given were further consideration of backflow prevention for 'bunkering' ships in port with fresh water, evidence of compliance for water fittings in the absence of WRAS Approval, disinfection of plumbing systems, implications of the revised Private Water Supplies Regulations which included 'onward distribution systems' supplied by public water undertakers, and the revision of British standards referenced by the Regulations for 'installation in a workmanlike manner'.

Significant work was undertaken by WRAS in the autumn with the re-emergence of a proposal by a leisure services company to prevent freezing of plumbing systems in unoccupied caravan holiday homes and park lodges by filling them with antifreeze solution, in contravention of the Regulations. New advice was published on the correct way to protect plumbing from freezing by draining down and of the risks of using antifreeze to protect caravan plumbing systems. WRAS made representations to the company involved and used its contacts with caravan site operators to publicise the risk of the solution being inadvertently drawn off for drinking. Despite this, it was reported that this had happened in the North West region, although it was not clear whether only private water supplies, not coming under the scope of the Water Fittings Regulations, were involved.

The WRAS Technical Advice service continued to answer daily regulations enquiries from Water Suppliers customers, fittings manufacturers, installers and Suppliers' regulations staff themselves.

The Technical Committee discussed proposals for a possible review of the Water Fittings Regulations but was advised by Defra that this was postponed until at least the middle of 2012. WRAS made representation in a review of Water Suppliers' enforcement of the Regulations carried out by the Drinking Water Inspectorate. Water Suppliers eagerly await the report of this study. The Technical Committee proposed voluntary reporting of enforcement but members have yet to agree suggestions for the reporting format.



Sample of caravan drinking water believed to contain antifreeze

WRAS provides a single point of contact between the Water Suppliers' Water Fittings Regulations departments and government, trade associations and professional bodies related to plumbing matters. The trade and professional associations have extensive networks of businesses or individual members who can be reached with 'water fittings regulations' messages through WRAS.

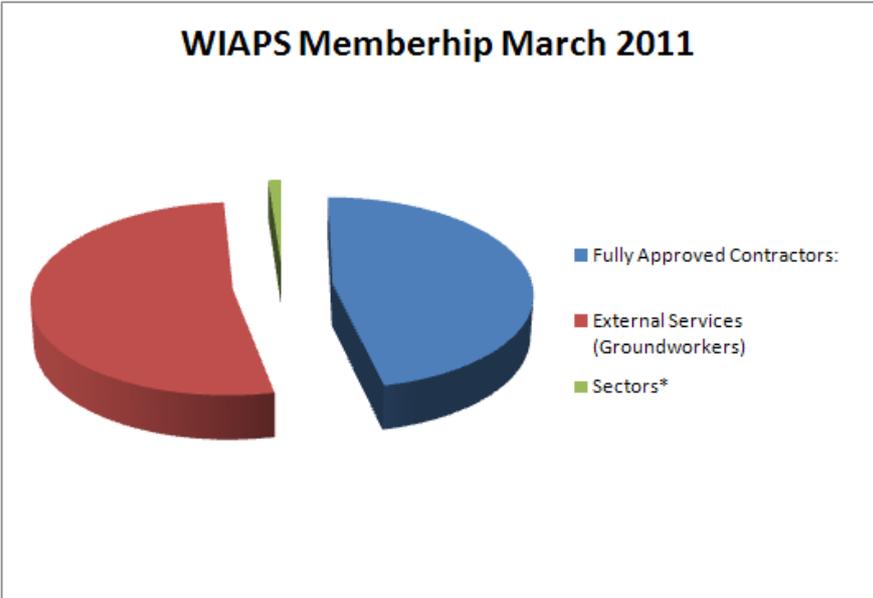
Regular meetings took place with the Plastic Pipes Group of the British Plastics Federation and the Bathroom Manufacturers Association to bring about closer links and better understanding of common issues.

4 APPROVED CONTRACTORS SCHEMES

Membership of the Water Industry Approved Plumbers Scheme continued to grow, which WRAS administers on behalf of 20 English and Welsh Water Suppliers,. Following the agreement in March 2010 with Yorkshire Water Services (YWS) to support WIAPS, YWS scheme members were invited to transfer to the appropriate sectors of WIAPS. Membership in March 2011 was:

| | Annual % Increase | |
|----------------------------|-------------------|--------|
| Fully Approved contractors | 3760 | (7.2%) |
| Groundworkers | 4214 | (4.2%) |
| Sectors * | 93 | (29%) |

* Point of use Water Coolers and Catering Equipment



The Catering Equipment Distributors Association (CEDA) consulted the Scheme and a joint re-launch of the sector for catering equipment installers made at the Association's annual technical conference resulted in more staff coming forward to be assessed for their regulations knowledge and joining the Catering Equipment sector of WIAPS or other approved contractors schemes.

In response to a drinking water contamination incident where cross-connection occurred between rainwater harvesting equipment and mains water due to faulty installation or modification, WRAS publicised the regulations' requirements for these systems, including pipe-

marking. WIAPS Members received the *Professional* magazine featuring a cover article on the topic. Water Suppliers also worked with WRAS to develop an approved contractors' sector for installers of rainwater harvesting equipment. To become a member, installers will have to show they have been adequately trained and have passed an assessment of their knowledge of the relevant Water Fittings Regulations. The sector is likely to be adopted by all the schemes operated by Water Suppliers and in Scotland by the Scottish and Northern Ireland Plumbing Employers Federation.

Consultation during the year by WRAS with the operators of the seven Approved Contractors Schemes led to a successful meeting to gather support for the idea of a single national accreditation for approved contractors which could be promoted across the UK by Water Suppliers. With the backing of Defra, the Drinking Water Inspectorate, the Communities and Local Government department, which deals with Building Regulations, and with consumer and trade associations, in a meeting chaired by the Master of the Worshipful Company of Plumbers, operators of the schemes agreed to the principle of such an accreditation and undertook to work to develop the detail. Work continues to bring proposals to fruition and launch the scheme in 2012.



5 MARKET RESEARCH AND WRAS BUSINESS DEVELOPMENT

Recognising that its newly independent status gave WRAS the opportunity to review the scope and direction of its advisory work, the WRAS Board of Directors commissioned a market research study covering all sectors which had an interest in the Scheme's work. The researchers spoke to Water Suppliers, fittings manufacturers with WRAS Approvals, regulators, businesses, installers, trade associations and householders.

The results of the study confirmed some views already held after the WRAS Conference in 2009, but revealed other insights of how the Scheme is seen and what its customers and supporters desired of it.

The Board intend that these findings will be used to develop a business plan to be implemented over the next two years to take WRAS forward.

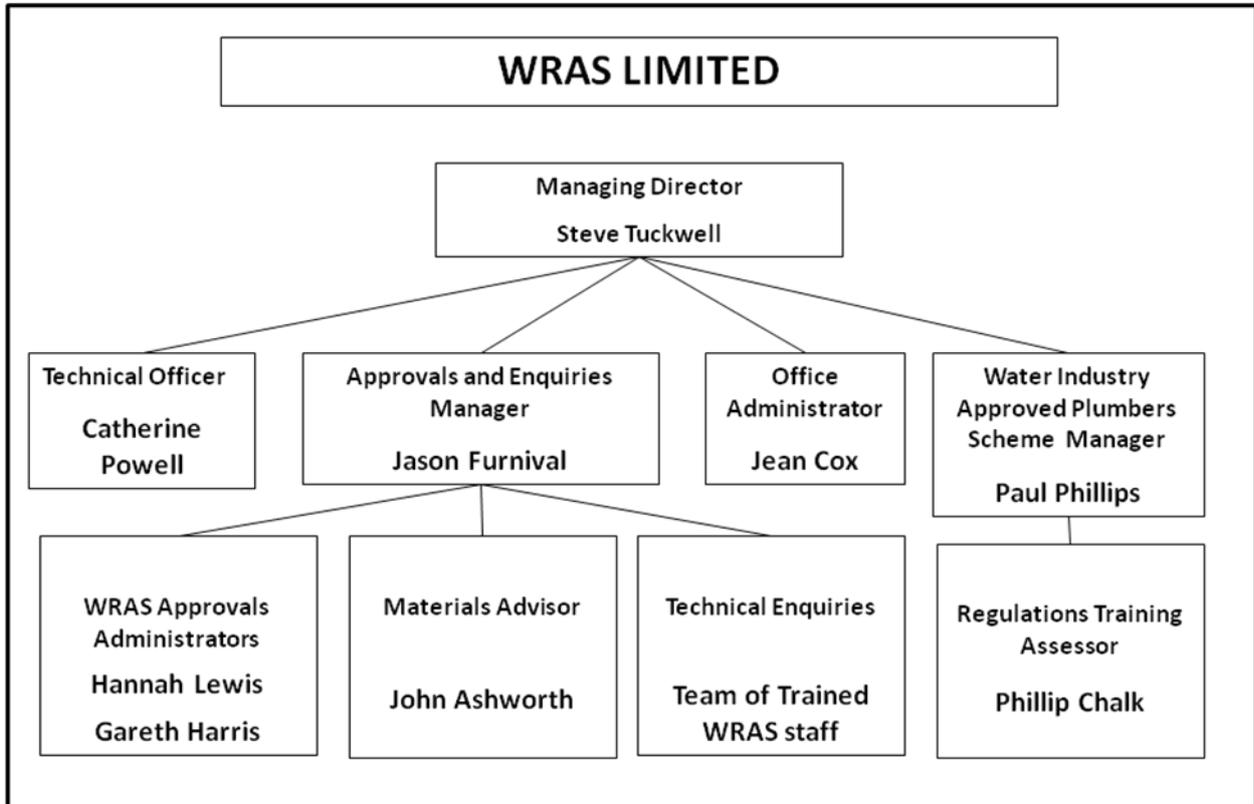
6 WRAS GOVERNANCE

The Board of Directors provides company governance and directs strategic and financial matters. The Board comprised representatives of two English water services companies, three water supply only companies, water suppliers in Scotland, Wales and Northern Ireland, the Chairman of the Technical Committee and the Managing Director and Company Secretary.

| | |
|-------------------|------------------------------------|
| Stephen Kay | Cambridge Water plc - Chairman |
| Dymphna Gallagher | Northern Ireland Water |
| James Foster | Anglian Water (from 21 March 2010) |
| Roger Harrington | Sembcorp Bournemouth Water plc |

| | |
|------------------|--|
| Peter D Perry | Dŵr Cymru/Welsh Water |
| John Rae | Scottish Water |
| David McMahon | Thames Water Utilities Ltd |
| Paul Seeley | South East Water Ltd |
| Geoffrey Tute | Southern Water (Chairman, Technical Committee) |
| Stephen Tuckwell | Managing Director & Company Secretary |

The staff of WRAS Ltd at 31st March 2011 were:



7 FINANCIAL SUMMARY

WRAS receives income from subscriptions, approvals fees and sale of publications. The cost of administration of the Water Industry Approved Plumbers Scheme (WIAPS) is accounted for separately in the WRAS Ltd accounts and is covered by a separate subscription from those Water Suppliers who support WIAPS.

After corporation tax, WRAS Ltd had a surplus for 2010-11 of £230,854 (subject to audit). Of this, £189,863 is from WRAS advisory activities and £40,990 arose from trading for WIAPS and is for the WIAPS Scheme. These surpluses will be used for furthering the respective work of the schemes.

At its meeting in November 2010, the Board reduced the subscription for 2011-12 membership of WRAS and of WIAPS by 15%.

A copy of the audited accounts will be sent to Members when available.