

WEST HANTS WATER COMPANY.
ANNUAL MEETING.

C.T. September 5, 1931

The annual general meeting of the West | Hampshire Water Company was held at the company's offices, 21, Stour Road, Christchurch, on Friday, August 28, those present being Mr. J. Kemp Welch, J. P., (chairman), Messrs. Edwin J. Plummer. Frank Reeks, J. E. Cooper, H. A. Kemp Welch (directors), Tom Budden, T. Blandford, F. W. Talbot, A. J. Street, Theo. Potter, G.R. Newman (auditor) and D. Llewellyn (secretary, engineer and manager).

The Chairman first made sympathetic reference to the loss the company had sustained by the death of its former chairman, Mr. John King, J.P., and, in reviewing the accounts of the past year, he opened by drawing attention to the items of "fuel and oil," which showed a slight decrease, which, he remarked, "is a satisfactory feature, especially when you consider that the water output was 47,760,000 gallons over that for the year 1929-30. I think that affords an indication of the wisdom of the company in installing water turbine power and thereby saving the fuel bill. The total water supplied in 1929-30 was 251,220,000 gallons and in 1930-31 it was 298,980,000. I consider that is a very satisfactory increase, coupled with a diminution in the cost of production."

Continuing, Mr. Kemp Welch said:

"On the receipts side, water rentals are up by £2,573 on the previous year, and the tapping fees are up by £514 17s. The tapping fees are largely consequent on the Ringwood addition.

"The item of £500 from Ringwood is the amount which the Ringwood Rural District Council agreed to pay the company for the first year's supply, before the agreement proper came into force which it did on July 1st last. In future years this guarantee will amount to £2,600 a year for five years reducible by £100 a year thereafter.

"Turning to the capital account, the new issues are shown in the report and were most satisfactorily responded to by the investing public. The over subscription was, I believe, about six times what we asked for. The premiums on the debenture stock amounted to £856 and on the shares £9,054. Which indicate to my mind that the general public are very well satisfied with the way this business is going on. It is a considerable contrast to a few years ago when we had to dispose of some of our Preference Shares and Debenture Stock at a discount. It is a turning over in the right direction.

"Our reserve fund for contingencies and renewals now stands at £15,000, which is about 4¾ per cent. of the present issued capital. The capital expenditure during the year shows the following increase: Land and buildings, £3,565; mains, £12,290; plant and machinery, £4,831; Parliamentary expenditure, £1,312; Reservoir and filter beds, £10,917; Ringwood scheme, £36,824.

"Land and buildings include engine shed and stores not altogether paid for in the previous year, and land for the construction of the new reservoir at Ringwood. The mains include the large main to the new reservoir on St. Catharine's Hill, works connected with the new filter beds, construction of the mains to Sway and further extension to the parish of Boldre. Plant and machinery include the second Diesel engine and other small additions. Reservoirs and filter beds include the new two million gallon reservoir on St. Catharine's Hill, which is practically finished. If you cared to go to the top of the hill I am sure you would be much interested in this new addition of ours, as it is a very fine piece of work.

"Four large filter beds are being constructed at the works, one is completed and the other three are well advanced.

"We have practically completed the Ringwood scheme with the exception of the reservoir, which we hope to put in hand as soon as we can get a contract for it. All the mains are laid and the water was turned on six months after the contract with the Ringwood Rural District Council was signed — a total of 36⅓ miles, as well as 8½ miles in other parts of our area. I do not think that we have wasted much time. (Hear, hear.) The inhabitants of Ringwood were surprised to see the water come through so soon, and not only surprised, but very pleased. I think Mr. Llewellyn and his staff deserve our congratulations on having carried out the work so satisfactorily and without any friction between ourselves and the public. (Hear, hear.)

"It may interest you to know that the number of houses connected to our supply in Ringwood at the end of June was 415 and today the total is about 600. (Hear, hear.) The total number of new houses connected during the past year was 1,179, including the 415 referred to at Ringwood, leaving 764 for the

rest of the district. This is slightly less than in the previous year, but I do not think that we can expect the rush of building to go on year after year—764 is quite a satisfactory number.

"There is one matter which I might mention, and that is the question of waste.

Waste to water companies is very serious and difficult to ascertain. If you have inspectors it means a serious cost to the company, but I think that our shareholders in general might impress upon anyone who uses water that waste is extravagance. We do not mind how much is used legitimately, but leaky taps, hoses left on all night, wasted water in the washing of cars, etc., mean heavy loss to the company. I think we might call the attention of the public to this fact."

Mr. Plummer seconded the adoption of the report.

Mr. A. J. Street stated that the company started operations some 38 years ago and expressed the opinion that there must be depreciation in the mains first laid and in the old plant, and inquired whether consideration had been given to the question of providing for this depreciation.

The Chairman said that the questions asked had been carefully considered by the directors in consultation with the auditors and he would ask Mr. Newman to reply.

Mr. Newman said that there were really two kinds of capital expenditure with the company. There was the outlay on fixed capital expenditure for buildings, etc., which was of a permanent character, and he thought it was true to say that those assets were worth what they stood at in the balance sheet—and a lot more. He had no doubt that the land and buildings were worth more. Regarding the capital expenditure on mains, the mains were laid at a time when labour was cheap and material was cheap, and when, large contracts were placed at five guineas a ton against the present-day price of £9 a ton. Cast iron mains that had been dug up after being years in the ground had been found to be perfectly good. All his inquiries tended to show that mains did not depreciate underground in this area. Generally speaking, if a valuation were made of these mains it would be in excess of their cost price. Regarding the statutory expenditure, that had been made in order to secure the company's statutory rights. That was a good asset. If they had to sell their company, it would be part of the goodwill of the undertaking. The purchase price of a business was usually based on a certain number of years' profits, but the purchase price of a statutory undertaking of a public supply was a very different matter. When it was suggested that something ought to be written off it, the boot was on the other foot and something ought to be written on. As regarded plant and machinery, this item included a lot of up-to-date plant and a small quantity of old plant against which the company had a reserve fund of £15,000 for contingency and renewals. If a valuation were made of the plant, it would be found that £15,000 would be quite sufficient to meet any renewals of the old plant. "The company is run very well, and bear in mind that the plant is being maintained out of revenue."

Mr. Talbot remarked that he knew of mains that had lasted from 60 to 80 years in good soil.

The Engineer produced for inspection a section of a main taken up after 50 years' use underground, and it was none the worse for wear.

Mr. Street expressed his satisfaction at the answers.

The report was then adopted.

Messrs. E. J. Plummer and J. E. Cooper, who retired from the Board by rotation, were unanimously re-elected.

Mr. F. J. Stover, one of the auditors, whose term also expired, was likewise re-elected.

Mr. Llewellyn produced a balance sheet of the year ended 30th June, 1921, which gave the following comparisons with that for the year just ended :—

	1921	1931
Expenses	£6,044	£12,000
Receipts	£9,738	£28,654
Net Profit	£3,693	£16,300
Capital	£100,434	£337,985

The Chairman moved a hearty vote of thanks to the Engineer and his staff for the way that they had carried out the work of the company in the past year, which had been one of the most strenuous in the company's history. They had had a very large capital expenditure, which caused the directors a certain amount of anxiety, and the Engineer and his staff a large amount of work. "We owe them sincerely a vote of thanks for their services, because they seem to work so extremely well together. There is no friction and everything seems to go as if it were cut and dried, which is most satisfactory. In the Ringwood district we had to deal with a lot of men imported from the distressed areas, and I think that Mr. Llewellyn is very well satisfied with the way they did their work, and it is only fair to give those men credit for the satisfactory

way in which they carried out their duties. It is not always that one can say that, but it should be said where it is the case."

Mr. Talbot seconded, doing so with all the greater pleasure because he said he had some knowledge of the tremendous amount of detail that work of this description in an outside area especially entailed.

The motion was unanimously adopted.

The meeting then viewed a large scale map of the area covered by the company, which comprise 125 square miles in which 165 miles of mains have been laid.

ON THE ROOF OF THE NEW 2,000,000 GALLON RESERVOIR.



Those in the accompanying photograph had the unique experience of descending some 20 feet into the depths of one of the two new million gallon reservoirs at the West Hampshire Water Co. on St. Catherine's Hill, when members of the Chamber of Trade were shown over the company's works by Mr. Llewellyn last week.

With its 36 large pillars supporting the roof, coupled with the dim light, the interior resembled that of a cathedral. One picture was taken on the roof by Miss R. Butler with a V.P.K. and enlarged by Mr. C.D.Venning.

Mr. Llewellyn is in the centre of the group and Mr. Venning (President of the Chamber of Trade is on the right, with Mr. E.W. Mayner on extreme left.