

Registered number: 09276929

Market Operator Services Limited

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018



Market Operator Services Limited

Report and financial statements
for the year ended 31 March 2018

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Directors

Jim Keohane
Desmond Sean Edward Burke
Margaret Elizabeth Beels
Dr Simon Orebi Gann
Josh Gill
Andrew Hughes
Mehran Karam
James David Cleave
Steve Hervouet
Ben Newby

Company secretary

Roland George

Company number

09276929

Registered office

Milton Gate, 60 Chiswell Street, London, EC1Y 4AG

Bankers

HSBC, 60 Queen Victoria Street, London, EC4N 4TR

Market Operator Services Limited

Directors' report for the year ended 31 March 2018

The Directors present their report and the financial statements for the year ended 31 March 2018.

Directors

The Directors who have served during the year are:

Jim Keohane (Chair, appointed 1 September 2017)
John Andrew Pinder (Chair, Resigned 9 April 2017)
Chris Scoggins (CEO, resigned 14 November 2018)
John Jeffs (CEO, resigned 2 June 2017)
Margaret Elizabeth Beels (Independent Director)
Dr Simon Orebi Gann (Independent Director, appointed 1 March 2018)
Peter Bucks (Independent Director, resigned 1 March 2018)
Mehran Karam (Wholesaler Director, appointed 27 September 2017)
Peter Simpson (Wholesaler Director, resigned 27 September 2017)
Heidi Mottram (Alternate Wholesaler Director, resigned 15 December 2017)
Richard Charles Moore (Alternate Unassociated Retail Director, resigned 18 September 2018)
John Nigel Reynolds (Unassociated Retailer Director, resigned 18 September 2018)

Business review

On 1 April 2017 the non-household water market was officially opened allowing customers in England to choose their retailer for the first time through the Open Water programme.

The Open Water programme is led by the Department for Food, the Environment and Rural Affairs (Defra), and 'Ofwat' the water industry economic regulator. Market Operator Services Limited (MOSL) works closely with both Government and regulator to operate the non-household water market.

Our purpose is to provide infrastructure, information and governance services effectively and efficiently to enable the competitive retail water market to operate and evolve for the benefit of end customers. Our core activities are to;

- maintain and develop our core IT system 'CMOS', enabling an effective registration, switching and settlement process between wholesalers and retailers;
- provide secretariat services to the Panel and committees who provide independent strategic governance of the market; and
- offer our members the necessary support and advice to drive improvements in market performance.

During the year ended 31 March 2018 the Company has overseen the stable operation of the market and its central systems, enabling more than 85,000 daily transactions and over 123,000 switches in the first year. We have designed and built improvements to the functionality of the Central Market Operating System (CMOS). We have provided secretariat services to the industry Code Panel for 35 changes to the market codes across a diverse range of areas and established five Panel Committees to support the Panel in specific areas of market change. During the year a comprehensive review led by the Panel's Market Performance Committee (MPC), supported by MOSL, of the Market Performance Standards (MPS) was completed to help drive performance improvement by retailers and wholesalers in key customer-impacting areas.

MOSL funding for the year ended 31 March 2018 was agreed up front through the approval of its annual business plan. The business plan for the year ended 31 March 2019 was presented to members for approval in December 2018.

The Company was breakeven for the year ended to 31 March 2018 (2017: £631,597 loss).

Market Operator Services Limited

Directors' report for the year ended 31 March 2018

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the Directors must not approve the financial statements unless 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 year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- 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.

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Going concern

The Directors consider that the Company has adequate resources to remain in operation for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the financial statements.

Post balance sheet events

There have been no significant events outside the normal course of business affecting the Company since the year end.

Market Operator Services Limited

Directors' report
for the year ended 31 March 2018

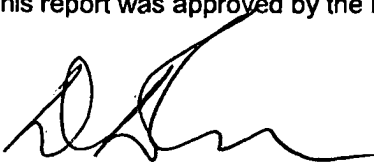
Auditors

A resolution to re-appoint Moore Stephens LLP as auditor will be proposed at the Annual General Meeting in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by Section 415A of the Companies Act 2006.

This report was approved by the Board and signed on its behalf.



Desmond Sean Edward Burke
Director

Date: 30/1/19

Market Operator Services Limited
Independent Auditor's report
for the year ended 31 March 2018

Opinion

We have audited the financial statements of Market Operator Services Limited (the 'company') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Funds, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice). In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its results 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of matter - Recovery of VAT

We draw attention to note 3.2 in the financial statements, which indicates that there is a material uncertainty regarding the recovery of unclaimed VAT. Whilst the directors are confident this amount will be recovered they have still not received positive confirmation from the relevant authorities that this is the case, therefore there remains a material uncertainty. Our opinion is not qualified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the 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.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs(UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Councils website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This 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, for this report, or for the opinions we have formed.

Moore Stephens LLP

Stephen Corral, *Senior Statutory Auditor*
For and on behalf of Moore Stephens LLP, Statutory Auditor
150 Aldersgate Street
London
EC1A 4AB
31 January 2019

Market Operator Services Limited
Statement of comprehensive income
for the year ended 31 March 2018

	Note	Year ended 31 March 2018	Year ended 31 March 2017
		£	£
Members funding	3	11,151,452	9,639,003
Other income		91,380	-
Gross profit		11,242,832	9,639,003
Operating expenditure	6	(7,575,655)	(7,462,599)
Wages and salaries	7	(3,023,407)	(2,155,877)
Rent		(642,848)	(654,241)
Administration expenses		(11,241,910)	(10,272,717)
Interest received		-	3,325
Interest paid		(922)	(1,208)
Profit/(Loss) before tax		-	(631,597)
Tax on profits	5	-	-
Total comprehensive income/(expense) for the year		-	(631,597)

There was no other comprehensive income for the year (2017: £nil).

The notes on pages 10 to 16 form part of these financial statements.

Market Operator Services Limited

Company Number: 09276929

Balance sheet
as at 31 March 2018

		31 March 2018	31 March 2017
	Note	£	£
Non-current assets			
Tangible fixed assets	9	83,126	148,882
Intangible assets	10	8,763,109	9,232,367
Total non-current assets		8,846,235	9,381,249
Current assets			
Debtors	11	1,758,990	3,044,131
Cash at bank and in hand		1,186,142	2,490,625
Total current assets		2,945,132	5,534,756
Creditors: amounts falling due within one year	12	(2,222,066)	(4,733,833)
Net current assets		723,066	800,923
Total assets less current liabilities		9,569,301	10,182,172
Deferred income	13	(9,569,301)	(10,182,172)
Net assets		-	-
Capital and reserves			
Profit and loss account		-	631,597
Members funds surplus		-	631,597

The notes on pages 10 to 16 form part of these financial statements.

The Company's financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime. The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:



Desmond Sean Edward Burke
Director

Date: 30/1/19

Market Operator Services Limited
Statement of changes in funds
for the year ended 31 March 2018

	Profit and loss account
	£
Members funds at 1 April 2017	-
Comprehensive income for the year	
Profit for the year	-
Total comprehensive income for the year	-
Total transactions with owners	-
Members funds at 31 March 2018	-
Members funds surplus at 1 April 2016	631,597
Comprehensive income for the year	
Loss for the year	(631,597)
Total comprehensive loss for the year	(631,597)
Total transactions with owners	-
Members funds at 31 March 2017	-

The notes on pages 10 to 16 form part of these financial statements.

Market Operator Services Limited

Statement of cash flows for the year ended 31 March 2018

	Year ended 31 March 18	Year ended 31 March 17
	£	£
Cash flows from operating activities		
Profit/(loss) for the year	-	(631,597)
Adjustments for:		
Depreciation	37,835	23,435
Amortisation	1,292,473	10,379
Loss on asset disposal	27,923	-
Interest received	-	(3,325)
Interest paid	922	1,208
Decrease/(increase) in debtors	1,285,141	(2,511,436)
(Decrease)/increase in deferred income	(612,871)	4,297,581
Decrease in creditors	(2,511,769)	(886,539)
Cash generated from operations	(480,346)	299,706
Cash flows from investing activities		
Payments to acquire fixed assets	-	(93,439)
Payments to acquire intangible assets	(823,215)	(3,060,655)
Interest received	-	3,325
Interest paid	(922)	(1,208)
Net cash used in investing activities	(824,137)	(3,151,977)
Net decrease in cash	(1,304,483)	(2,852,271)
Cash and cash equivalents at beginning of year	2,490,625	5,342,896
Cash and cash equivalents at the end of year	1,186,142	2,490,625
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,186,142	2,490,625
	1,186,142	2,490,625

The notes on pages 10 to 16 form part of these financial statements.

Market Operator Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2018

1. STATUTORY INFORMATION

Market Operator Services Limited is a private company, limited by guarantee, domiciled and incorporated in England and Wales, registration number 09276929. The registered office is Milton Gate, 60 Chiswell Street, London, EC1Y 4AG.

2. COMPLIANCE WITH ACCOUNTING STANDARDS

The financial statements have been prepared in accordance with the provisions of Financial Reporting Standard 102 Section 1A.

3. ACCOUNTING POLICIES

3.1 Basis of preparation of financial statements

The principal accounting policies adopted in the preparation of the financial statements are set out below.

The financial statements have been prepared under the historical cost convention and the Companies Act 2006, and in accordance with Section 1A of Financial Reporting Standard 102, the standard applicable in the UK and Republic of Ireland unless otherwise specified within these accounting policies. The presentation currency is £ sterling.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

3.2 Material uncertainty

Directors formed a judgement at the time of approving these financial statements and are fully expectant that that a historical £1.2 million VAT receivable balance due to the Company can be recovered in full.

This recovery is subject to HMRC approving the revised VAT returns and given the magnitude of the balance and potential punitive measures, there is a risk over the recoverability of the amount due to the Company. Whilst the Directors acknowledge this risk, their belief remains that the VAT receivable balance can be fully recovered in full due to circumstances in which this balance has arisen, and their confidence in the supporting evidence.

3.2 Revenue recognition

Revenue should be measured at the fair value of the consideration received or receivable when;

- it is probable that any future economic benefit associated with the item of revenue will flow to the entity, and
- the amount of revenue can be measured with reliability

Members of MOSL pay subscriptions or other sums due in line with the published and agreed business plan. The calculation is based on formula presented in the Market Arrangements Code and as set out in the Company articles.

The revenue recognition policy for member funding in relation to the Central Market Operating System ("CMOS") design, build and testing costs have been capitalised. The accruals process matching revenue and cost has been adopted. Revenue will then be released in the same profile as the intangible asset amortization profile resulting in nil gain or loss as a result of timing.

Market Operator Services Limited

Notes forming part of the financial statements for the year ended 31 March 2018

3. ACCOUNTING POLICIES (continued)

The total amount of Market Operator Charges received in relation to the year was £11,300,356 (2017: £12,692,355). Of the revenue recognised in the year, £823,215 (2017: £2,916,718) was deferred to match CMOS capitalised expenditure.

CMOS was made available for use on 1 April 2017 and was subject to amortisation from that date, in line with the adopted accounting policy (see note 3.6). The total revenue recognised through the amortisation of CMOS during the year ended 31 March 2018 was £1,244,494 (2017: £nil).

3.3 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

3.4 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3.5 Provision for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Balance sheet.

3.6 Intangible assets

CMOS and settlement checker capitalised costs relates to design, build and test costs directly attributable to the respective programmes. These costs will continue to be capitalised when they can be reliably measured and include invoiced and accrued costs. CMOS and settlement checker capitalised costs are amortised in line with the contractual rates.

Website costs are amortised over 3 years.

3.7 Tangible fixed assets

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. The residual values and useful lives of plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting year if there are indicators of change. The carrying amount of an asset is written down immediately to its recoverable amount if the asset's carrying amount is assessed as greater than its estimated recoverable amount.

Fixtures and equipment	5 years
Computer Hardware	3 Years
Computer Software	3 Years

Market Operator Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2018

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Management have made a key judgement in assessing the completion of CMOS during the build phase. Management have based their estimation on completion of contractual milestones and functionality built. The capitalisation of CMOS has been classified as intangible asset. Amortisation commenced upon market opening and matched revenue received during the year recognised as deferred income will be released in line. All additional design and build related to CMOS during the year is based on estimation on completion of contractual milestones and functionality and amortised in line with the current policy once in use.

5. TAXATION

The Company is regarded by H.M. Revenue and Customs as a mutual trading concern and thereby is not liable for corporation tax on any surplus arising from transactions with its Members. The Company, however, remains liable to corporation tax in respect of investment income and capital gains and any other profit arising other than from Members' activities.

6. OPERATING EXPENDITURE

	31 March 2018	31 March 2017
	£	£
Audit fees	32,848	20,250
Depreciation	37,835	23,435
Amortisation	1,292,473	10,379
Loss on disposal of asset	27,923	-
Contractors	3,088,240	3,454,530
Secondees	27,540	297,352
Other operating expenditure	3,068,796	3,822,826
	<u>7,575,655</u>	<u>7,628,772</u>

7. EMPLOYEES

	31 March 2018	31 March 2017
	£	£
Wages and salaries	2,557,520	1,830,750
Social security costs	268,480	156,334
Employer pension contributions	197,407	139,254
	<u>3,023,407</u>	<u>2,126,338</u>

The average number of staff in the year was 44 (2017: 35).

8. DIRECTORS' REMUNERATION

	31 March 2018	31 March 2017
	£	£
Directors' emoluments	<u>444,731</u>	<u>525,722</u>

The highest paid director received remuneration of £253,028 (2017: £398,211) in the year.

Market Operator Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2018

9. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computers and software £	Total £
Cost or valuation			
At 1 April 2017	109,918	76,388	186,306
Additions	-	-	-
Disposals	(35,237)	-	(35,237)
At 31 March 2018	74,681	76,388	151,069
Accumulated depreciation and impairment			
At 1 April 2017	11,575	25,849	37,424
Charge for the year	12,373	25,462	37,835
Disposals	(7,316)	-	(7,316)
At 31 March 2018	16,632	51,311	67,943
Net book value			
At 31 March 2018	58,049	25,076	83,126
At 1 April 2017	98,343	50,539	148,882

10. INTANGIBLE ASSETS

	Website £	Settlement checker £	CMOS £	Total £
Cost or valuation				
At 1 April 2017	47,409	96,528	9,098,809	9,242,746
Additions	-	-	823,215	823,215
At 31 March 2018	47,409	96,528	9,922,024	10,065,961
Accumulated amortisation and impairment				
At 1 April 2017	10,379	-	-	10,379
Charge for the year	15,803	32,176	1,244,494	1,292,473
At 31 March 2018	26,182	32,176	1,244,494	1,302,852
Carrying amount				
At 31 March 2018	21,227	64,352	8,677,530	8,763,109
At 1 April 2017	37,030	96,528	9,098,809	9,232,367

Market Operator Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2018

11. DEBTORS: Amounts falling due within one year

	2018 £	2017 £
Trade debtors	61,861	974,216
VAT recoverable	1,086,489	1,547,961
Other debtors	610,640	521,954
	<u>1,758,990</u>	<u>3,044,131</u>

12. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	497,012	1,323,602
Other tax and social security	77,376	55,432
Other creditors	41,183	-
Accruals	578,324	2,897,788
Member funds	1,028,171	457,011
	<u>2,222,066</u>	<u>4,733,833</u>

13. DEFERRED INCOME

	2018 £	2017 £
CMOS membership payments	8,677,530	9,098,809
Market Operator Charges	891,771	1,083,363
	<u>9,569,301</u>	<u>10,182,172</u>

£8,677,530 of the deferred income relates to membership payments made to MOSL to fund the design, build and test of CMOS (2017: £9,098,809). These payments have been received and recognised as deferred income and will be amortised in line with the amortisation profile of the CMOS once in use.

The balance, £891,771 relates to deferred Market Operator Charges (2017: £1,083,363).

14. MEMBERS FUNDS

The Company is a United Kingdom company limited by Guarantee. It is both incorporated and domiciled in England and Wales. The address of its registered office is Milton Gate, 60 Chiswell Street, London, EC1Y 4AG.

The Company is limited by guarantee and has no share capital.

Every Member of the Company undertakes to contribute to the assets of the Company, in the event of a winding up, such an amount as may be required not exceeding £1.

Market Operator Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2018

15. OPERATING LEASE ARRANGEMENTS

	2018	2017
	£	£
<i>Non-cancellable operating lease rentals are payable as follows:</i>		
Not later than 1 year	317,280	438,510
Within 2 - 5 years	-	-
	<u>317,280</u>	<u>438,510</u>

16. RELATED PARTIES

All of the wholesale and retail members of the Company are related parties, including:

Advanced Demand Side Management Limited
Affinity Water Ltd
Affinity for Business (Retail) Ltd
Albion Eco Limited
Albion Water Limited
Anglian Water Business (National) Ltd
Anglian Water Services Ltd
Bristol Water Plc
Scottish Water Business Stream Ltd
Castle Water Ltd
Clear Business Water Limited
Dee Valley Water Plc
Dwr Cymru Cyfyngedig
Everflow Water Limited
First Business Water Limited
Independent Water Networks Ltd
Invicta Water Limited
Three Sixty Water Ltd
Northumbrian Water Ltd
NWG Business Ltd
Leep Water Networks Ltd
Pennon Water Services Limited
Portsmouth Water Ltd
POD 53 Limited
Regent Water Limited
South Staffordshire Water Plc
Severn Trent Water Ltd
Severn Trent Services (Water & Sewerage) Ltd
Southern Water Services Ltd
South East Water Ltd
South West Water Ltd
SSE Water Ltd
SSWB Ltd
Sutton & East Surrey Water Plc
Sutton and East Surrey Water Services Limited
Thames Water Utilities Ltd
The Water Retail Company Ltd
United Utilities Group Ltd
Veolia Water Limited
Veolia Water Projects Ltd
Yorkshire Water Services Ltd
Water Plus Ltd
Waterscan Limited
Water 2 Business Limited
Wessex Water Services Ltd
Yorkshire Water Services Limited

Market Operator Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2018

16. RELATED PARTIES (CONTINUED)

In total £11,046,903 (2017: £11,659,350) was received from the above members. At the end of the year £61,861 (2017 £974,216) was due to the Company.

A total of £27,540 (2017: £114,952) was paid to Anglian Water Services Limited during the financial year for employees seconded to MOSL.

Amounts owed to related parties:

	2018 £	2017 £
Scottish Water Business Stream Ltd	4,378	-
Anglian Water Services Ltd	-	24,075
	<u>4,378</u>	<u>24,075</u>

Personnel:

John Jeffs, is a MOSL Director and a Director of TIDI Limited. MOSL paid TIDI Limited £48,367 in the year ended 31 March 2018 (2017: £398,211). At the year end the Company owed TIDI Limited £nil (2017: £49,730).

Mehran Karam is a MOSL Director and Bristol Water Plc CEO. Bristol Water Plc are a wholesaler member of MOSL.

Josh Gill is a MOSL Director and Everflow Water Ltd Managing Director. Everflow Water Ltd are an Unassociated Retailer member of MOSL.

Andrew Hughes is a MOSL Director and Water Plus Limited CEO. Water Plus Limited are an Associated Retailer member of MOSL.

John Nigel Reynolds was a MOSL Director during the year ended 31 March 2018 and Castle Water Ltd CEO. Castle Water Ltd are an Unassociated Retailer member of MOSL.