

**Company Registration No. 02049449**

**Southern Utilities (Holdings) Limited**

**Report and Financial Statements**

**for the year ended 31 March 2012**

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# **Southern Utilities (Holdings) Limited**

## **Report and financial statements 2012**

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# **Southern Utilities (Holdings) Limited**

## **Report and financial statements 2012**

### **Officers and professional advisers**

#### **Directors**

V Rosati  
K Bhatia  
J-E Leroux

#### **Company Secretary**

N Truillet

#### **Registered Office**

Rocfort Road  
Snodland  
Kent  
ME6 5AH

#### **Auditor**

Deloitte LLP  
Chartered Accountants  
London

# **Southern Utilities (Holdings) Limited**

## **Directors' Report**

The directors have pleasure in presenting their report and the audited financial statements for the year ended 31 March 2012

### **Results and dividends**

The directors have taken advantage of the special provisions available to small companies provided by S 415A of the Companies Act 2006

The audited financial statements for the year ended 31 March 2012 are set out on pages 5 to 11. The profit on ordinary activities, after taxation, for the year was £8,000 (2011 £2,000)

No dividends were declared or paid during the current or prior years

### **Principal activities, business review and future developments**

The Company's principal activity during the year and for the foreseeable future is that of an intermediate holding company. Its principal subsidiaries include Watercall Limited, Dynamco Limited and Optimum Information Systems Limited. Further details are given in note 5.

### **Going concern**

The directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future as cash exceeds current liabilities. For this reason the directors continue to adopt the going concern basis in preparing the financial statements.

### **Principal risks and uncertainties**

The directors consider that liquidity risk is the principal risk facing the Company. This is managed by principal payments on inter-company non-interest bearing loans being subordinate to the other liabilities of the Company.

### **Directors of the Company**

The directors who held office throughout the year are stated on page 1.

### **Auditor**

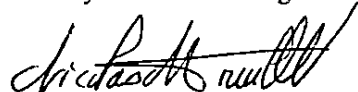
The directors who were members of the Board at the time of approving the Directors' Report are listed on page 1. Having made enquiries of fellow directors, each of these directors confirms that

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- each director has taken all the steps a director ought to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with provisions of s418 of the Companies Act 2006.

The Company did not hold an Annual General Meeting. During the prior year Deloitte LLP was appointed as auditor to the Company for an initial period of three years. This is the second year of that appointment.

Approved by the Board and signed on their behalf



N Truillet  
Company Secretary

19 July 2012

# **Southern Utilities (Holdings) Limited**

## **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

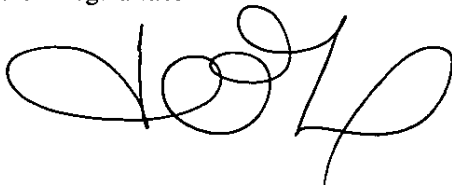
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are 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 period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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

J-E Leroux  
Director

19 July 2012



## **Independent auditor's report to the members of Southern Utilities (Holdings) Limited**

We have audited the financial statements of Southern Utilities (Holdings) Limited for the year ended 31 March 2012 which comprise the profit and loss account, the balance sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2012 and of its profit 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.

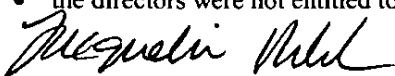
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

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 take advantage of the small companies exemption in preparing the Directors Report.



Jacqueline Holden (Senior statutory auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

19 July 2012

## **Southern Utilities (Holdings) Limited**

### **Profit and loss account for the year ended 31 March 2012**

	<b>Notes</b>	<b>2012 £'000</b>	<b>2011 £'000</b>
Interest receivable and similar income	3	8	3
<b>Profit on ordinary activities before taxation</b>		8	3
Tax on profit on ordinary activities	4	-	(1)
<b>Profit on ordinary activities after taxation</b>		8	2

The Company has no recognised gains or losses in either year other than the profit for the year shown above and therefore no separate statement of total recognised gains and losses has been presented

Profit for the year is generated entirely from continuing activities

The accompanying notes are an integral part of this profit and loss account

# Southern Utilities (Holdings) Limited

## Balance sheet at 31 March 2012

	Notes	2012 £'000	2011 £'000
<b>Fixed assets</b>			
Investments	5	3,210	3,210
<b>Current assets</b>			
Debtors amounts falling due after more than one year	6	3,254	3,255
Investments	1	-	900
Cash at bank and in hand	1	918	9
		<u>4,172</u>	<u>4,164</u>
<b>Creditors: amounts falling due within one year</b>	7	(1)	(1)
<b>Net current assets</b>		<u>4,171</u>	<u>4,163</u>
<b>Total assets less current liabilities</b>		<u>7,381</u>	<u>7,373</u>
<b>Creditors: amounts falling due after more than one year</b>	8	(7,264)	(7,264)
<b>Net assets</b>		<u>117</u>	<u>109</u>
<b>Capital and reserves</b>			
Called up share capital	9	-	-
Profit and loss account	10	117	109
<b>Equity shareholder's funds</b>	11	<u>117</u>	<u>109</u>

The accompanying notes are an integral part of this balance sheet

The financial statements of Southern Utilities (Holdings) Limited (Company number 02049449) on pages 5 to 11 were approved by the Board of Directors and were signed on its behalf by



J-E Leroux  
Director

19 July 2012



# **Southern Utilities (Holdings) Limited**

## **Notes to the financial statements for the year ended 31 March 2012**

### **1. Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout both this year and the preceding year.

#### **Basis of preparation**

The financial statements have been prepared in accordance with applicable UK accounting standards and under the historical cost convention and the Companies Act 2006.

In accordance with FRS 2 Accounting for Subsidiary Undertakings group accounts have not been prepared since the Company is a wholly owned subsidiary of HDF (UK) Holdings Limited, a company registered in England and Wales and which has prepared financial statements that consolidate the results of the Company.

#### **Going concern**

The directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future as cash exceeds current liabilities. For this reason the directors continue to adopt the going concern basis in preparing the financial statements.

#### **Taxation**

Current tax, including UK Corporation tax, is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is provided in respect of the material tax effect of all timing differences between the treatment of certain items for taxation and accounting purposes, at the rates of tax expected to apply when the timing differences reverse. Deferred tax assets and liabilities recognised have been discounted at rates equivalent to the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

#### **Investments**

Investments are recorded at historical cost. Where the directors are of the opinion that there has been an impairment in the value of investments, the carrying amount of such investments is written down to the recoverable amount.

#### **Interest bearing loans and borrowings**

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Interest costs are expensed in the profit and loss account as incurred.

#### **Current asset investments**

Current asset investments relate to cash held on short term deposits for a period of up to three months.

#### **Cash flow statement**

As a wholly owned subsidiary of HDF (UK) Holdings Limited, the Company has taken advantage of the exemption under FRS 1 (Revised) Cash Flow Statements not to provide a cash flow statement because the financial statements of HDF (UK) Holdings Limited include a consolidated cash flow statement and are publicly available.

## Southern Utilities (Holdings) Limited

### Notes to the financial statements for the year ended 31 March 2012

#### 2. Operating costs

The audit fees for the Company of £1,300 were borne by South East Water Limited, a fellow subsidiary company (2011 £1,900)

There were no employees of the Company during the current or prior year. No remuneration was paid to directors during the current or prior year in respect of services to the Company.

#### 3. Interest receivable and similar income

	2012 £'000	2011 £'000
On bank balances and short term deposits	8	3

#### 4. Tax on profit on ordinary activities

##### (a) Analysis of tax charge for the year

	2012 £'000	2011 £'000
<b>Current tax</b>		
UK Corporation tax charge on profits	-	1

##### (b) Factors affecting tax for the year

	2012 £'000	2011 £'000
Profit on ordinary activities before tax	8	3
Profit on ordinary activities multiplied by standard rate of tax of 26% (2011 28%)	2	1
Group relief claimed at nil cost	(2)	-
<b>Current tax charge for the year</b>	-	1

The UK Government announced on 21 March 2012 that the headline rate of corporation tax will be reduced from 26% to 24% starting from 1 April 2012. The UK Government also announced proposals for further reductions to the rate of corporation tax by 1% each year until it reaches 22% from 1 April 2014. If enacted this rate change will affect the amount of future cash tax payments to be made by the Company.

# Southern Utilities (Holdings) Limited

## Notes to the financial statements for the year ended 31 March 2012

### 5. Investment

	<b>£'000</b>
<b>Cost</b>	
At 1 April 2011 and 31 March 2012	3,265
<b>Provision for impairment</b>	
At 1 April 2011 and 31 March 2012	(55)
<b>Net book value</b>	
At 1 April 2011 and 31 March 2012	3,210

Principal subsidiary companies	Type of shares	Nature of business
Watercall Limited	Ordinary voting	Non-trading
Dynamco Limited	Ordinary voting	Non-trading
Optimum Information Systems Limited	Ordinary voting	Non-trading
Mid Sussex Water Limited	Ordinary voting	Dormant
<b>Held by Mid Sussex Water Limited</b>		
Mid Southern Water plc	Ordinary voting	Dormant
	Ordinary non-voting	
West Kent Water Limited	Ordinary voting	Dormant
	Ordinary non-voting	
Eastbourne Water plc	Ordinary voting	Dormant
	Ordinary non-voting	

All subsidiary companies are incorporated in Great Britain and are registered in England and Wales

All of the Company's subsidiaries are wholly owned and the Company holds 100% of the voting rights in each of its subsidiaries

### 6. Debtors

	<b>2012 £'000</b>	<b>2011 £'000</b>
<b>Amounts falling due after more than one year:</b>		
Amounts owed by group undertakings	3,254	3,255

Amounts due from group undertakings due after more than one year comprise a non-interest bearing loan to a subsidiary undertaking. The directors do not expect this loan to be settled before 31 March 2013.

### 7. Creditors: amounts falling due within one year

	<b>2012 £'000</b>	<b>2011 £'000</b>
Amounts due to group undertakings	1	1

## Southern Utilities (Holdings) Limited

### Notes to the financial statements for the year ended 31 March 2012

#### 8. Creditors: amounts falling due after more than one year

	2012 £'000	2011 £'000
Amounts due to group undertakings	7,264	7,264

Amounts due to group undertakings comprise non-interest bearing loans to subsidiary undertakings. The directors do not expect these loans to be settled before 31 March 2013.

#### 9. Issued share capital

	2012 £'000	2011 £'000
Allotted, called up and fully paid		
100 ordinary shares of £1 each (2011: 100)	-	-

#### 10. Profit and loss account

	£'000
At 1 April 2011	109
Profit for the year	8
At 31 March 2012	117

#### 11. Reconciliation of movements in equity shareholder's funds

	2012 £'000	2011 £'000
At 1 April 2011	109	107
Profit for the year	8	2
At 31 March 2012	117	109

## **Southern Utilities (Holdings) Limited**

### **Notes to the financial statements for the year ended 31 March 2012**

#### **12. Related party transactions**

As a wholly owned subsidiary of HDF (UK) Holdings Limited at the balance sheet date, the Company has taken advantage of the exemption under FRS 8 Related Party Disclosures not to provide information on related party transactions with other companies within the HDF (UK) Holdings Limited group

#### **13 Parent company and ultimate controlling parties**

The Company's joint ultimate holding companies are Utilities of Australia Pty Limited as Trustee for the Utilities Trust of Australia, which is resident in Australia and Caisse de depot et placement du Quebec, which are resident in Canada. It is the directors' belief that they now control the Company jointly.

The immediate parent company is Hastings Water (UK) Limited.

The smallest and largest group of companies into which results of the Company are consolidated is that headed by HDF (UK) Holdings Limited, a company which is incorporated in Great Britain and registered in England and Wales. The financial statements of HDF (UK) Holdings Limited may be obtained from the Company Secretary, Rocfort Road, Snodland, Kent ME6 5AH.