

Company Registration No. 02049449

Southern Utilities (Holdings) Limited

Report and Financial Statements

for the year ended 31 March 2013



Southern Utilities (Holdings) Limited

Report and financial statements 2013

Contents	Page
Officers and professional advisers	2
Directors' report	3
Statement of directors' responsibilities	4
Independent auditor's report	5
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9

Southern Utilities (Holdings) Limited

Report and financial statements 2013

Officers and professional advisers

Directors

J Stimpson (Appointed 20/12/12)
P Butler (Appointed 20/12/12)
V Rosati (Resigned 21/12/12)
K Bhatia (Resigned 03/01/13)
J-E Leroux (Resigned 21/12/12)

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 2013

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 2013 are set out on pages 6 to 14. The profit on ordinary activities, after taxation, for the year was £997,570 (2012 £8,218)

Dividends of £1.1 million (2012 Nil) were paid during the year

Principal activities, business review and future developments

During the year the group underwent reconstruction resulting in a number of loans to group undertakings being waived and investment in subsidiaries being impaired. In May 2013 the company's principal subsidiaries, Watercall Limited, Dynamco Limited and Optimum Information Systems Limited were all dissolved.

The Company has ceased trading and there are no plans for the Company to trade in the foreseeable future. It is anticipated that the Company will become dormant.

Going concern

SUHL is no longer trading and will continue not to trade in the foreseeable future. As required by FRS 18 'Accounting Policies', the Directors have prepared the Company's financial statements on a basis other than going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

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 and up to the date of the report are stated on page 2.

Auditor

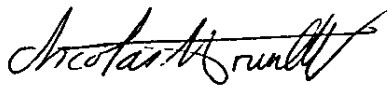
The directors who were members of the Board at the time of approving the Directors' Report are listed on page 2. Having made enquiries of fellow directors, each of these directors confirms that:

- 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.

In the absence of a general meeting, Deloitte have been re-appointed as auditor in accordance with the terms of their contract.

Approved by the Board and signed on their behalf



N Truillet
Company Secretary
27 June 2013

Southern Utilities (Holdings) Limited

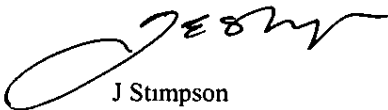
Statement of directors' responsibilities

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 Stimpson
Director

27 June 2013

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 2013 which comprise the profit and loss account, the balance sheet and the related notes 1 to 17. 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 2013 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.

Emphasis of Matter – Financial Statements prepared on a basis other than that of a going concern

In forming our opinion on the financial statements which is not modified, we have considered the adequacy of note 1 to the financial statements which explains that the financial statements have been prepared on a basis other than that of a going concern.

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.

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

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

27 June 2013

Southern Utilities (Holdings) Limited

Profit and loss account for the year ended 31 March 2013

	Notes	2013 £	2012 £
Impairment of investment in subsidiary companies	3	(3,209,998)	-
Loss on ordinary activities before finance income and charges		(3,209,998)	-
Income from shares in group undertakings	4	192,157	-
Interest receivable and similar income	5	7,269,893	8,218
loans to group undertakings waived	6	(3,254,435)	-
Interest payable and similar charges	6	(47)	-
Profit on ordinary activities before taxation		997,570	8,218
Tax on profit on ordinary activities	7	-	-
Profit on ordinary activities after taxation		997,570	8,218

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

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

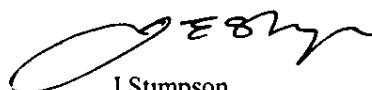
Southern Utilities (Holdings) Limited

Balance sheet at 31 March 2013

	Notes	2013 £	2012 £
Fixed assets			
Investments	8	4	3,210,002
Current assets			
Debtors amounts falling due after more than one year	9	-	3,254,435
Cash at bank and in hand		96	918,059
		96	4,172,494
Creditors: amounts falling due within one year	10	-	(710)
Net current assets		100	4,171,784
Total assets less current liabilities		100	7,381,786
Creditors: amounts falling due after more than one year	11	-	(7,264,435)
Net assets		100	117,351
Capital and reserves			
Called up share capital	12	100	100
Profit and loss account	13	-	117,251
Equity shareholder's funds	14	100	117,351

The accompanying notes are an integral part of this balance sheet

The financial statements of Southern Utilities (Holdings) Limited (Company number 02049449) on pages 6 to 14 were approved by the Board of Directors and were signed on its behalf by



J Stimpson
Director

27 June 2013

Southern Utilities (Holdings) Limited

Notes to the financial statements for the year ended 31 March 2013

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

SUHL is no longer trading and will continue not to trade in the foreseeable future. As required by FRS 18 'Accounting Policies', the Directors have prepared the Company's financial statements on a basis other than going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

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 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 2013

2. Operating costs

The audit fees for the Company of £1,600 were borne by South East Water Limited, a fellow subsidiary company (2012 £1,300)

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. Loss for the year

	2013 £	2012 £
Impairment of investment in subsidiary companies (see note 8)	(3,209,998)	-

4. Dividends

	2013 £'000	2012 £'000
Dividend from Optimum Information System	99	-
Dividend from Dymanco	92	-
	192	-

5. Interest receivable and similar income

	2013 £	2012 £
Waiver of loan from Mid Southern Water Limited	3,710,279	-
Waiver of loan from Eastbourne Water Limited	3,295,421	-
Waiver of loan from West Kent Water Limited	258,915	-
On bank balances and short term deposits	5,458	8,218
	7,269,893	8,218

The loans granted to the Company from its indirect subsidiary companies, Mid Southern Water Limited, Eastbourne Water Limited and West Kent Water Limited, have been waived during the year

Southern Utilities (Holdings) Limited

Notes to the financial statements for the year ended 31 March 2013

6. Interest payable and similar charges

	2013 £	2012 £
Write off loans to group undertakings waived	(3,254,435)	-
Bank charges	(47)	-

The write off of the loans relate to the waiver provided by the Company to its subsidiary company, Mid Sussex Water Limited during the year

7. Tax on profit on ordinary activities

(a) Analysis of tax charge for the year

	2013 £	2012 £
Current tax		
UK Corporation tax charge on profits	-	-

(b) Factors affecting tax for the year

	2013 £	2012 £
Profit on ordinary activities before tax	997,570	8,215
Profit on ordinary activities multiplied by standard rate of tax of 24% (2012 26%)	239,417	2
Dividend income not chargeable to corporation tax	(46,117)	-
Surplus on group restructuring not chargeable to corporation tax	(192,001)	-
Group relief claimed at nil cost	(1,299)	(2)
Current tax charge for the year	-	-

A reduction in the headline rate of corporation tax from 24% to 23% starting from 1 April 2013 was enacted in the 2012 Finance Bill of 3 July 2012. Further reductions to 21% by 1 April 2014 and 20% by 1 April 2015 have also been announced. If enacted these rate changes 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 2013

8. Investment

	2013 £	2012 £
Cost		
At 1 April and 31 March	3,265,002	3,265,002
Provisions for impairment		
At 1 April	(55,000)	(55,000)
Impairment during the year	(3,209,998)	-
At 31 March	(3,264,998)	(55,000)
Net book value	4	3,210,002

The impairment of investments in subsidiary companies is the result of a group restructuring and relates to the Company's investment in Dynamco Limited and Mid Sussex Water Limited which have been written down in preparation for these companies and their fellow subsidiary, Optimum Information Systems Limited, being struck off the Register of Companies

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
Held by Mid Sussex Water Limited		
Mid Southern Water Limited	Ordinary voting	Dormant
	Ordinary non-voting	
West Kent Water Limited	Ordinary voting	Dormant
	Ordinary non-voting	
Eastbourne Water Limited	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

9. Debtors

	2013 £	2012 £
Amounts falling due after more than one year:		
Amounts owed by group undertakings	-	3,254,435

Non interest bearing loans due from group undertakings waived during the year as part of the group reconstruction

Southern Utilities (Holdings) Limited

Notes to the financial statements for the year ended 31 March 2013

10. Creditors: amounts falling due within one year

	2013 £	2012 £
Amounts due to group undertakings	-	710

11. Creditors: amounts falling due after more than one year

	2013 £	2012 £
Amounts due to group undertakings	-	7,264,435

Non interest bearing loans from group undertakings waived during the year as part of the group reconstruction

12. Issued share capital

	2013 £	2012 £
Allotted, called up and fully paid		
100 ordinary shares of £1 each (2012 100)	100	100

13. Profit and loss account

	£
At 1 April 2012	117,251
Profit for the year	997,570
	1,114,821
Dividends	(1,114,821)
At 31 March 2013	-

14. Reconciliation of movements in equity shareholder's funds

	2013 £	2012 £
At 1 April	117,351	109,133
Profit for the year	997,570	8,218
	1,114,921	117,351
Dividends	(1,114,821)	-
At 31 March	100	117,351

Southern Utilities (Holdings) Limited

Notes to the financial statements for the year ended 31 March 2013

15. 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 wholly owned companies within the HDF (UK) Holdings Limited group

16. 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 is 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.

17. Post balance sheet events

In May 2013 all the company's subsidiaries were dissolved (see note 6).