

# **Severn Trent Services International Limited**

## **Annual report and financial statements for the year ended 31 March 2015**

Company number 02387816



# **Severn Trent Services International Limited**

## **Annual report and financial statements for the year ended 31 March 2015**

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# **Severn Trent Services International Limited**

## **Company information**

<b>Company number</b>	02387816
<b>Directors</b>	M J Dovey J A Jackson (appointed 1 October 2014) B Kennedy R C McPheely
<b>Secretary</b>	A Campbell
<b>Registered office</b>	Severn Trent Centre 2 St John's Street Coventry CV1 2LZ
<b>Bankers</b>	Barclays Bank Plc 1 Churchill Place London E14 5HP
<b>Auditor</b>	Deloitte LLP Chartered Accountants and Statutory Auditor Four Brindleyplace Birmingham B1 2HZ

# Severn Trent Services International Limited

## Strategic report

### Business review and principal activities

The company is a wholly owned subsidiary of Severn Trent Plc and operates as part of the Severn Trent group's Severn Trent Services business.

The principal activity of the company was formerly to provide support services to Severn Trent Operating Services companies. This activity transferred with all employees of the company to Severn Trent Services Operations UK Limited on 1 April 2014. All fixed assets, with a net book value of £621,000, were also transferred to Severn Trent Services Operations UK Limited during the year.

As a result, the company is now non-trading until such time that all its contractual obligations have been transferred and all assets and liabilities cleared from the balance sheet.

Turnover in the year arose as a result of previously withheld retention being invoiced. The contract to which this relates is now fully invoiced and completed.

Net assets at the end of the year were £3,103,000 (2014: £3,048,000) therefore the company's financial position is satisfactory.

Severn Trent Plc manages its operations on a divisional basis and the company's directors do not believe that further key performance indicators for the company are necessary to enhance the understanding of the development, performance or position of the business. The performance of the Severn Trent Services business, which includes this company, is discussed in Severn Trent Plc's Annual Report and Financial Statements (which does not form part of this report).

### Principal risks and uncertainties

#### *Treasury management*

The Severn Trent group manages its treasury operations on a group basis. Financial risk management is performed by Severn Trent's Group Treasury department. This includes assessment and mitigation of price risk, credit risk, liquidity risk and interest rate cash flow risk. The group's treasury management policies and operations are discussed in Severn Trent Plc's Annual Report and Financial Statements (which does not form part of this report).

The company has implemented policies to manage credit risk relating to trade debtors.

### Going concern and financial position

The directors have considered the financial position and future prospects of the company. The company participates in the group's pooled banking arrangements. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the report and annual financial statements.

By order of the board



A Campbell  
Company Secretary  
17 September 2015

# **Severn Trent Services International Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements of the company for the year ended 31 March 2015.

### **Matters included in the Strategic report**

The following matters are included in the company's Strategic report on the preceding page:

- Principal activity of the company
- Future developments in the business
- Principal risks and uncertainties

### **Directors**

The directors who served during the year are shown on page 1.

J A Jackson was appointed as a director on 1 October 2014.

No emoluments were paid by the company in respect of the services of the directors to the company. Their emoluments are paid by other companies within the Severn Trent group.

### **Directors' indemnities**

The company's Articles of Association provide that directors of the company shall be indemnified by the company against any costs incurred by them in carrying out their duties including defending any proceedings arising out of their positions as directors in which they are acquitted or judgement is given in their favour or relief from any liability is granted to them by the court.

### **Employees**

All employees of the company transferred to Severn Trent Services Operations UK Limited on 1 April 2014.

### **Environment**

The company recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused by its activities. The company operates in accordance with the group policies of Severn Trent Plc which are described in the group's Annual Report and Financial Statements (which does not form part of this report).

### **Post balance sheet events**

There have been no significant post balance sheet events.

# Severn Trent Services International Limited

## Directors' report

### Directors' responsibilities statement

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 Financial Reporting Standard 101 Reduced Disclosure Framework. 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 Financial Reporting Standard 101 Reduced Disclosure Framework has 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.

### Auditor and disclosure of information to the auditor

In the case of each of the persons who are directors of the company at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Relevant audit information means information needed by the company's auditor in connection with preparing its report. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP has indicated its willingness to continue as auditor.

By order of the board



A Campbell  
Company Secretary  
7 September 2015

# **Independent auditor's report to the members of Severn Trent Services International Limited**

We have audited the financial statements of Severn Trent Services International Limited for the year ended 31 March 2015 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard 101 Reduced Disclosure Framework.

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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework; 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 Strategic report and 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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company 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 required for our audit.

 Jane Whitlock (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Birmingham  
18 September 2015

## Severn Trent Services International Limited

### Profit and loss account For the year ended 31 March 2015

	Notes	2015 £'000	2014 £'000
<b>Turnover</b>	3	<b>14</b>	2,901
Operating costs before exceptional items	4	<b>6</b>	(4,279)
Exceptional costs	4	-	(271)
<b>Total operating costs</b>		<b>6</b>	(4,550)
<b>Profit/(loss) before interest and tax</b>		<b>20</b>	(1,649)
Interest receivable	7	<b>2</b>	3
Interest payable	7	-	(5)
<b>Profit/(loss) on ordinary activities before tax</b>		<b>22</b>	(1,651)
Taxation on profit/loss on ordinary activities	8	<b>33</b>	275
<b>Profit/(loss) for the financial year</b>		<b>55</b>	(1,376)

All results are from discontinued operations.

The company has no recognised gains or losses other than the profit above and therefore no separate statement of comprehensive income has been presented.

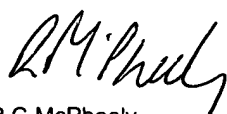


## Severn Trent Services International Limited

### Balance sheet As at 31 March 2015

	Notes	2015 £'000	2014 £'000
<b>Fixed assets</b>			
Intangible assets	9	-	174
Tangible fixed assets	10	-	656
		-	830
<b>Current assets</b>			
Debtors: amounts falling due in more than one year	11	70	52
Debtors: amounts falling due within one year	11	2,776	2,846
Cash at bank and in hand		899	1,011
		3,745	3,909
Creditors: amounts falling due within one year	12	(628)	(1,626)
<b>Net current assets</b>		3,117	2,283
<b>Total assets less current liabilities</b>		3,117	3,113
Creditors: amounts falling due after more than one year	13	-	(65)
Provisions for liabilities and charges	14	(14)	-
<b>Net assets</b>		3,103	3,048
<b>Capital and reserves</b>			
Called up share capital	16	10,000	10,000
Profit and loss account		(6,897)	(6,952)
<b>Total shareholder's funds</b>		3,103	3,048

The financial statements were approved by the board of directors on 17 September 2015. They were signed on its behalf by:

  
R C McPheely  
Director  
17 September 2015  
Company Number 02387816

## Severn Trent Services International Limited

### Statement of changes in equity For the year ended 31 March 2015

	Share capital £'000	Profit and loss account £'000	Total £'000
At 1 April 2013	10,000	(5,588)	4,412
Loss and total comprehensive loss for the period	–	(1,376)	(1,376)
Share options and LTIPs - value of employees' services	–	12	12
At 31 March 2014	10,000	(6,952)	3,048
Profit and total comprehensive income for the period	–	55	55
At 31 March 2015	10,000	(6,897)	3,103

# **Severn Trent Services International Limited**

## **Notes to the financial statements**

### **1. Accounting policies**

#### **a) Accounting convention**

The financial statements have been prepared on the going concern basis (see Strategic report) under the historical cost convention as modified by the revaluation of certain financial assets and liabilities (including derivative instruments) at fair value, and in accordance with applicable United Kingdom Accounting Standards and comply with the requirements of the United Kingdom Companies Act 2006 ('the Act'). The principal accounting policies, which have been applied consistently in the current and preceding year are set out below.

#### **b) Basis of preparation**

The company is a wholly owned subsidiary of Severn Trent Plc and is included in the consolidated financial statements of Severn Trent Plc.

The company has elected to adopt early the new accounting framework issued by the Financial Reporting Council. The company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements'. Accordingly, in the year ended 31 March 2013, the company adopted FRS 101 'Reduced Disclosure Framework' and ceased to apply all UK Accounting Standards issued prior to FRS 100. Therefore the recognition and measurement requirements of EU-adopted IFRS have been applied, with amendments where necessary in order to comply with the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) as these are Companies Act 2006 financial statements.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to share based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions.

Where required, equivalent disclosures are given in the group financial statements of Severn Trent Plc. The group financial statements of Severn Trent Plc are available to the public and can be obtained as set out in note 21.

#### **c) Turnover**

Turnover represents the fair value of consideration receivable, excluding value added tax, in the ordinary course of business for services provided.

Turnover is not recognised until the service has been provided to the customer.

#### **d) Interest receivable and similar income**

Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable. Interest income is included in interest receivable.

# Severn Trent Services International Limited

## Notes to the financial statements

### e) Taxation

Current tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income and expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full, using the liability method, on taxable temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. A deferred tax asset is only recognised to the extent it is probable that sufficient taxable profits will be available in the future to utilise it. Deferred taxation is measured on a non-discounted basis using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

### f) Intangible fixed assets

Intangible assets acquired separately are capitalised at cost and when acquired in a business combination are capitalised at fair value at the date of acquisition. Following initial recognition, the historical cost model is applied to intangible assets.

Intangible assets are amortised on a straight line basis over their estimated useful economic lives as follows:

Software	3-5 years
----------	-----------

Amortisation charged on assets with finite lives is taken to the profit and loss account through operating costs.

Intangible assets are reviewed for impairment where indicators of impairment exist.

### g) Tangible fixed assets

Tangible fixed assets are held at cost less accumulated depreciation.

Tangible fixed assets are depreciated to their estimated residual values over their estimated useful lives, with the exception of freehold land which is not depreciated. Assets in the course of construction are not depreciated until commissioned.

The estimated useful lives are:

Fixed plant and equipment	3-5 years
---------------------------	-----------

### h) Leased assets

Where the company obtains assets under leasing arrangements which transfer substantially all the risks and rewards of ownership of an asset to the company as lessee (finance leases), the lower of the fair value of the leased asset or the present value of the minimum lease payments is capitalised as an asset with a corresponding liability representing the obligation to the lessor. Lease payments are treated as consisting of a capital element and a finance charge; the capital element reducing the obligation to the lessor and the finance charge being written off to the profit and loss account at a constant rate over the period of the lease in proportion to the capital amount outstanding. Depreciation is charged over the shorter of the estimated useful life and the lease period.

Leases where substantially all the risks and rewards of ownership remain with the lessor are classified as operating leases. Rental costs arising under operating leases are expensed on a straight line basis over the term of the lease. Leases of land are normally treated as operating leases, unless ownership is transferred to the company at the end of the lease.

Where the company transfers substantially all the risks and rewards of ownership of an asset to a lessee (finance lease), the assets are accounted for as if they had been sold, and the net investment in the lease is shown as a receivable due from the lessee. Over the lease term, rentals are apportioned between a reduction in the net investment in the lease and finance lease income, such that finance lease income produces a constant rate of return on the net cash investment in the lease. Finance lease income is included within interest receivable and similar income.

# Severn Trent Services International Limited

## Notes to the financial statements

### i) Impairment of fixed assets

If the recoverable amount of a fixed asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount is the higher of fair value less costs to sell or estimated value in use at the date the impairment review is undertaken. Fair value less costs to sell represents the amount obtainable from the sale of the asset in an arm's length transaction between knowledgeable and willing third parties, less costs of disposal. Value in use represents the present value of future cash flows expected to be derived from a cash-generating unit, discounted using a pre-tax discount rate that reflects current market assessments of the cost of capital of the cash-generating unit or asset.

The discount rate used is based on the estimated cost of capital of the asset or cash-generating unit.

Impairments are recognised immediately in the profit and loss account.

### j) Retirement benefits

The company participates in the Severn Trent group's pension schemes. Contributions to the schemes are charged to the profit and loss account in the period in which they fall due.

### k) Share based payments

The Severn Trent group operates a number of equity settled share based compensation plans for employees. The fair value of the employee services received in exchange for the grant is recognised as an expense over the vesting period of the grant.

The fair value of employee services is determined by reference to the fair value of the awards granted, calculated using an appropriate pricing model, excluding the impact of any non-market vesting conditions. The number of awards that are expected to vest takes into account non-market vesting conditions including, where appropriate, continuing employment by the group. The charge is adjusted to reflect shares that do not vest as a result of failing to meet a non-market condition.

The grant of awards of shares of the ultimate parent company is treated as a capital contribution and credited to reserves. When awards vest, payments made to the ultimate parent company for the issue of shares are charged against the capital contributions previously received in respect of the same awards. Any payments in excess of capital contributions are treated as distributions.

### l) Foreign currency

Foreign currency transactions arising during the year are translated into sterling at the rate of exchange ruling on the date of the transaction. All profits and losses on exchange arising during the year are dealt with through the profit and loss account.

## 2. Significant accounting judgements and key sources of estimation uncertainty

In the process of applying the company's accounting policies, no significant judgements or key accounting estimates were required.

# Severn Trent Services International Limited

## Notes to the financial statements

### 3. Revenue

The principal activity of the company was formerly to provide support services to Severn Trent Operating Services companies. This activity transferred to Severn Trent Services Operations UK Limited on 1 April 2014.

Turnover in the year is for the release of retention on a previously completed contract. Retention was due for release 12 months following handover of the treatment plant constructed for Donegal County Council in Ireland.

The company's turnover analysed by geographical destinations is:

	2015 £'000	2014 £'000
UK	-	2,556
Continental Europe	14	293
Rest of world	-	52
<b>Total turnover</b>	<b>14</b>	<b>2,901</b>

### 4. Operating costs

	2015		2014
	£'000	Before Exceptional costs £'000	Exceptional costs £'000
Wages and salaries	(98)	2,100	104
Social security costs	-	202	-
Pension costs	-	410	-
Share based payments	-	12	-
<b>Staff costs</b>	<b>(98)</b>	<b>2,724</b>	<b>104</b>
Power	-	31	-
Rates	-	75	-
Charge for bad and doubtful debts	-	(5)	-
Depreciation of tangible fixed assets	189	178	-
Amortisation of intangible fixed assets	46	34	-
Hired and contracted services	1	771	167
Operating lease rentals			
- land and buildings	-	138	-
- other	-	168	-
Foreign exchange (gains)/losses	(4)	7	-
Other operating costs	(140)	158	-
	<b>(6)</b>	<b>4,279</b>	<b>271</b>
			<b>4,550</b>

Included in the above are audit fees of £9,000 (2014: £9,000) payable for the audit of the statutory accounts. No other fees were payable to the auditor (2014: £nil).

Exceptional costs in the prior year arose from restructuring of the Severn Trent Operating Services business.

## Severn Trent Services International Limited

### Notes to the financial statements

#### 5. Employee information

The average monthly number of employees (including executive directors) during the year was:

	2015 Number	2014 Number
Administration	-	47

#### 6. Directors' remuneration

The emoluments of the directors are paid by other companies within the Severn Trent group.

#### 7. Net interest (payable)/receivable

	2015 £'000	2014 £'000
Interest payable and similar charges on:		
- Other finance costs	-	(5)
<b>Total interest payable and similar charges</b>	<b>-</b>	<b>(5)</b>
Interest receivable on:		
- Amounts due from group undertakings	2	3
<b>Total interest receivable and similar income</b>	<b>2</b>	<b>3</b>
	<b>2</b>	<b>(2)</b>

# Severn Trent Services International Limited

## Notes to the financial statements

### 8. Taxation

#### a) Analysis of tax credit in the year

	2015 £'000	2014 £'000
<b>Current tax</b>		
UK corporation tax at 21% (2014: 23%)		
- current year	20	-
Group relief at 21% (2014: 23%)		
- current year	-	(336)
- adjustment in respect of prior years	(35)	52
<b>Total current tax</b>	<b>(15)</b>	<b>(284)</b>
<b>Deferred tax</b>		
Origination and reversal of temporary differences		
- current year	(14)	(1)
- adjustment in respect of prior years	(4)	2
Charge arising from rate change	-	8
<b>Total deferred tax</b>	<b>(18)</b>	<b>9</b>
	<b>(33)</b>	<b>(275)</b>

The company earns profits primarily in the UK. Therefore the tax rate used for tax on profit on ordinary activities is the standard rate for UK corporation tax. The standard rate of UK corporation tax changed from 23% to 21% with effect from 1 April 2014. Deferred tax assets and liabilities have been calculated at 20%.

The Finance Act 2013 was enacted in 2013 and implemented a reduction in the corporation tax rate from 21% to 20% with effect from 1 April 2015.

On 8 July 2015 the Government announced that the main rate of Corporation Tax would reduce to 19% with effect from 1 April 2017 and to 18% with effect from 1 April 2020. The reductions are expected to be substantively enacted in Autumn 2015.

#### b) Factors affecting the tax credit in the year

The tax assessed for the year is lower than (2014: higher than) the standard rate of corporation tax in the UK of 21% (2014: 23%). The differences are explained below:

	2015 £'000	2014 £'000
<b>Profit/(loss) on ordinary activities before tax</b>	<b>22</b>	<b>(1,651)</b>
Profit/(loss) on ordinary activities multiplied by the standard UK corporation tax rate of 21% (2014: 23%)	5	(380)
Tax effect of expenditure not deductible in determining taxable profits	1	44
Current year impact of rate change	-	(1)
Deferred tax charge arising from rate change	-	8
Adjustments to tax charge in respect of prior periods	(39)	54
<b>Total tax credit for the year</b>	<b>(33)</b>	<b>(275)</b>



# Severn Trent Services International Limited

## Notes to the financial statements

### 9. Intangible fixed assets

	Purchased computer software £m
<b>Cost</b>	
At 1 April 2014	232
Additions	7
Transfers	(239)
<b>At 31 March 2015</b>	<b>-</b>
<b>Amortisation</b>	
At 1 April 2014	(58)
Amortisation for year	(46)
Transfers	104
<b>At 31 March 2015</b>	<b>-</b>
<b>Net book value</b>	
<b>At 31 March 2015</b>	<b>-</b>
At 31 March 2014	174

During the year, all intangible assets of the company were transferred at net book value to Severn Trent Services Operations UK Limited.

# Severn Trent Services International Limited

## Notes to the financial statements

### 10. Tangible fixed assets

	Fixed plant and equipment £'000
<b>Cost</b>	
At 1 April 2014	989
Additions	19
Transfers	(1,008)
<b>At 31 March 2015</b>	-
<b>Depreciation</b>	
At 1 April 2014	(333)
Charge for the year	(189)
Transfers	522
<b>At 31 March 2015</b>	-
<b>Net book value</b>	
<b>At 31 March 2015</b>	-
At 31 March 2014	656

During the year, all tangible assets of the company were transferred at net book value to Severn Trent Services Operations UK Limited.

### 11. Debtors

#### Amounts falling due within one year

	2015 £'000	2014 £'000
Trade debtors	290	256
Bad debt provision	(75)	(77)
<b>Net trade debtors</b>	<b>215</b>	<b>179</b>
Amounts owed by group undertakings	2,189	2,141
Other debtors	250	381
Prepayments and accrued income	122	145
	<b>2,776</b>	<b>2,846</b>

#### Amounts falling due after more than one year

	2015 £'000	2014 £'000
Deferred tax (see note 15)	70	52

# Severn Trent Services International Limited

## Notes to the financial statements

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

	2015 £'000	2014 £'000
Trade creditors	11	19
Amounts owed to parent and fellow subsidiary undertakings	200	437
Other creditors	10	584
Corporation tax payable	20	-
Other taxation and social security	226	-
Accruals and deferred income	161	586
	<b>628</b>	<b>1,626</b>

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

	2015 £'000	2014 £'000
Accruals and deferred income	-	65

### 14. Provisions for liabilities and charges

	Restructuring £'000
At 1 April 2014	-
Charged to profit and loss account	14
<b>At 31 March 2015</b>	<b>14</b>

A provision has been recognised in relation to the restructuring of the Severn Trent Operating Services business. This is expected to be utilised within one year of the balance sheet date.

# Severn Trent Services International Limited

## Notes to the financial statements

### 15. Deferred tax

An analysis of the movements in the major deferred tax liabilities and assets recognised by the company is set out below:

	Tax depreciation £'000	Other £'000	Total £'000
At 1 April 2013	(22)	(39)	(61)
Charge/(credit) to profit and loss account	(11)	12	1
Charge to profit and loss account arising from rate change	3	5	8
At 1 April 2014	(30)	(22)	(52)
Charge/(credit) to profit and loss account	(34)	16	(18)
At 31 March 2015	(64)	(6)	(70)

### 16. Share capital

	2015 £'000	2014 £'000
<b>Total issued and fully paid</b>		
10,000,000 ordinary shares of £1 each	10,000	10,000

### 17. Financial commitments

At the balance sheet date, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2015 £'000	2014 £'000
Within one year	-	277
Between one and five years	-	186
	-	463

Operating lease payments represent rentals payable by the company for certain of its office properties, plant and equipment.

During the year, the leases were transferred to Severn Trent Services Operations UK Limited.

# **Severn Trent Services International Limited**

## **Notes to the financial statements**

### **18. Retirement benefit scheme**

#### **Defined benefit schemes**

Severn Trent Plc, the ultimate holding company, operates group defined benefit pension schemes, of which some employees of the company are members. There is no contractual agreement for charging the net defined benefit cost of these schemes between the companies that participate in the schemes. As a result, the net defined benefit cost of the scheme is recognised in the financial statements of the sponsoring employer, Severn Trent Water Limited. The cost of contributions to the group schemes amount to nil (2014: £290,000). An amount of nil (2013: £24,000) is included in creditors being the outstanding contributions to the defined benefit schemes.

Information about the plans as a whole can be obtained from the Severn Trent Plc consolidated financial statements.

#### **Defined contribution pension scheme**

The company also operates a defined contribution scheme. This scheme is operated as part of the Severn Trent Group Pension Scheme and commenced operation on 1 September 2001. The pension charge for this scheme for the year ended 31 March 2015 was nil (2014: £120,000).

### **19. Contingent liabilities**

The banking arrangements of the company operate on a pooled basis with certain fellow group undertakings. Under these arrangements participating companies guarantee each others balances only to the extent that their credit balances can be offset against overdrawn balances of other Severn Trent group companies.

At 31 March 2015 the company's maximum liability under these arrangements was £899,000 (2014: £1,011,000).

### **20. Related party transactions**

There have been no transactions with the directors of the company over the last year.

In accordance with the exemption allowed by FRS 101, no disclosure is made of transactions with other wholly owned companies which are consolidated into the Severn Trent Plc group.

### **21. Ultimate parent undertaking**

The immediate parent undertaking is Severn Trent (W&S) Limited.

The ultimate parent undertaking and controlling party is Severn Trent Plc, which is the parent undertaking and controlling party of the smallest and largest group to consolidate these financial statements. Copies of the Severn Trent Plc consolidated financial statements can be obtained from Severn Trent Plc's registrars at Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.