

Registration number: 2729389

Anglian Water International Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2017



Anglian Water International Limited

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Anglian Water International Limited

Company Information

Directors	C T Russell W P Young
Registered office	Lancaster House Lancaster Way Ermine Business Park Huntingdon Cambridgeshire PE29 6XU
Independent Auditor	Deloitte LLP Statutory Auditor London, United Kingdom

Anglian Water International Limited

Strategic Report for the Year Ended 31 March 2017

The directors present their Strategic Report for the year ended 31 March 2017.

Fair review of the business

During the year Anglian Water International Limited acted as an agent for two Design, Build and Operate contracts in Ireland. These are Waste Water Treatment Works and are respectively located in Sligo and Waterford; both treatment works are in operation. Operations are undertaken by Celtic Anglian Water, a sister subsidiary company within the group.

Under the agency agreement Anglian Water International Limited has not recognised turnover of £1,821,000 (2016: £1,736,000), nor an equivalent amount of cost of sales on these contracts and no commission has been charged. Turnover is not recognised, in accordance with IAS 18 paragraph 8, as the company is only acting as an intermediary arranging the provision of services, but not performing part of the service.

As part of a group restructure, on 7 June 2016 the company's immediate parent undertaking changed from Anglian Water International Holdings Limited to Anglian Venture Holdings Limited, and as part of this restructure, various group companies agreed to forgive balances owed by Anglian Water International Limited, resulting in an injection of equity of £5,313,000.


The company made a profit of £1,000 during the financial year (2016: £331,000). As a consequence of the forgiveness mentioned above, a gain of £5,313,000 was recognised directly to equity, leaving net assets at 31 March 2017 of £nil (2016: net liability £5,314,000).

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development or performance of the business.

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. The group risks are discussed in the Osprey Aquisitions Limited consolidated financial statements.

Approved by the Board on 11 December 2017 and signed on its behalf by:


.....
W P Young
Director

Anglian Water International Limited

Directors' Report for the Year Ended 31 March 2017

The directors present their report and the audited financial statements for the year ended 31 March 2017.

Directors of the company

The directors who held office during the year, and up to the date of signing these financial statements, unless otherwise stated, were as follows:

J D Forster (resigned 7 June 2016)

C T Russell

W P Young (appointed 7 June 2016)

Financial instruments

Objectives and policies

The company does not operate externally to the group and therefore its financial risks are governed by group policies and procedures. These policies and procedures are discussed in the Osprey Aquisitions Limited consolidated financial statements.

Price risk, credit risk, liquidity risk and cash flow risk

Recharges made by the company are to other companies within the group and therefore the risk of a debtor defaulting is minimal.

Future developments

It is anticipated that the company will operate in the future, consistent with its performance this financial year.

Going concern

The directors have prepared these financial statements on the basis that the company will continue trading; there is no intention to wind-up or strike-off the company in the next 12 months.

Directors' liabilities

The company maintains directors' and officers' liability insurance which gives appropriate cover for legal action brought against its directors. The company has also provided an indemnity for its directors, which is a qualifying third party indemnity provision for the purpose of section 234 ((2) – 6) of the Companies Act 2006. Both of these were in force throughout the year and at the date of signing these financial statements.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware. This information is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Reappointment of auditors

During the year, following a competitive tender process, Anglian Water International Limited appointed Deloitte LLP as its new external auditor with effect from 1 September 2016. The auditors Deloitte LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Anglian Water International Limited

Directors' Report for the Year Ended 31 March 2017

Statement of Directors' Responsibilities

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 applicable law and United Kingdom General Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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 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.

Approved by the Board on 11 December 2017 and signed on its behalf by:


.....
W P Young
Director

Anglian Water International Limited

Independent Auditor's Report to the Members of Anglian Water International Limited

We have audited the financial statements of Anglian Water International Limited for the year ended 31 March 2017, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity 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), including FRS 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 Statement of Directors' Responsibilities (set out on page 4), 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 (APB's) Ethical Standards for Auditors to the financial statements.

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 the 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 2017 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, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

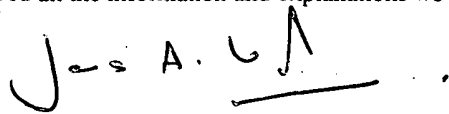
Anglian Water International Limited

Independent Auditor's Report to the Members of Anglian Water International 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



.....
James Leigh (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

Date: 11 December 2017

Anglian Water International Limited

Profit and Loss Account for the Year Ended 31 March 2017

	Note	2017 £ 000	2016 £ 000
Other income		-	412
Operating profit		-	412
Income from other fixed asset investments		-	1
Other interest receivable and similar income	3	1	2
Interest payable and similar charges	4	-	(2)
		1	1
Profit on ordinary activities before tax		1	413
Tax on profit on ordinary activities	7	-	(82)
Profit for the financial year		1	331

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


The above results were derived from continuing operations.

Anglian Water International Limited

(Registration number: 2729389)
Balance Sheet as at 31 March 2017

	Note	2017 £ 000	2016 £ 000
Current assets			
Trade and other receivables	9	-	331
Cash and cash equivalents	10	-	823
		-	1,154
Creditors: Amounts falling due within one year			
Trade and other payables	12	-	(6,386)
Income tax liability	7	-	(82)
Creditors: Amounts falling due within one year		-	(6,468)
Net liabilities		-	(5,314)
Capital and reserves			
Called up share capital	11	-	-
Other reserves	8	5,313	-
Profit and loss account		(5,313)	(5,314)
Total shareholders' deficit		-	(5,314)

11 December 2017
Approved by the Board on and signed on its behalf by:


.....
W P Young
Director

Anglian Water International Limited

Statement of Changes in Equity for the Year Ended 31 March 2017

	Other reserves £ 000	Profit and loss account £ 000	Total shareholders funds £ 000
At 1 April 2016	-	(5,314)	(5,314)
Profit for the financial year	-	1	1
Intercompany loan forgiveness (note 8)	5,313	-	5,313
Total comprehensive income	5,313	1	5,314
At 31 March 2017	5,313	(5,313)	-

	Other reserves £ 000	Profit and loss account £ 000	Total shareholders' funds £ 000
At 1 April 2015	-	(5,645)	(5,645)
Profit for the financial year	-	331	331
Total comprehensive income	-	331	331
At 31 March 2016	-	(5,314)	(5,314)

The notes on pages 10 to 14 form an integral part of these financial statements.

Anglian Water International Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

1 General information

The company is a private company limited by share capital incorporated and domiciled in UK.

The address of its registered office is:

Lancaster House
Lancaster Way
Ermine Business Park
Huntingdon
Cambridgeshire
PE29 6XU

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006 (the Act). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The company is a qualifying entity for the purposes of FRS 101. Note 13 gives details of the company's parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

FRS 101 sets out amendments to EU-adopted IFRS that are necessary to achieve compliance with the Act and related Regulations.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Given the straight forward nature of the company no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, have been identified by management.

The financial statements are prepared in accordance with the historical cost convention and have been prepared on the going concern basis. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The functional currency of the company is pounds sterling.

Anglian Water International Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

Summary of disclosure exemptions

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS101:

- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows)
 - 16 (statement of compliance with all IFRS),
 - 38 of IAS 1, comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1
 - 38A (requirement for minimum of two primary statements, including cash flow statements), and
 - 111 (cash flow statement information)
- IAS 7 "Statement of cash flows"
- Paragraph 30-31 of IAS 8 "Accounting policies, changes in accounting estimates and errors" (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- The requirements of IAS 24 "Related party disclosures" to disclose related party transactions entered into between two or more members of a group

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 April 2016 have had a material effect on the financial statements.

Turnover

Turnover is not recognised under the agency agreement for the two contracts in Ireland as the company is acting as agent (as it is not exposed to the benefits or risks associated with the transaction) and no commission is charged by the company on the contracts.

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax

Deferred taxation is provided on timing differences, arising from the different treatment for accounts and taxation purposes of events and transactions recognised in the financial statements of the current and previous years. Deferred taxation is calculated at the rates at which it is estimated that taxation will arise and are not discounted.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that there will be suitable taxable profits against which the deferred tax asset can be recovered in future periods.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Anglian Water International Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

Trade receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

3 Other interest receivable and similar income

	2017 £ 000	2016 £ 000
Other finance income	<u>1</u>	<u>2</u>

4 Interest payable and similar charges

	2017 £ 000	2016 £ 000
Other finance costs	<u>-</u>	<u>2</u>

5 Directors' remuneration and employee information

The directors received no remuneration for the services to the company (2016: £nil). The directors are remunerated through another group company and no recharges are made.

There were no employees of the company during this or the previous financial year.

6 Auditor's remuneration

The auditor's remuneration for audit services to the company of £2,000 (2016: £2,000) is borne by another group undertaking and is not recharged to the company.

7 Income tax

Tax charged/(credited) in the profit and loss account

	2017 £ 000	2016 £ 000
Current taxation		
UK corporation tax	-	83
UK corporation tax adjustment to prior periods	<u>-</u>	<u>(1)</u>
	<u>-</u>	<u>82</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2016 - lower than the standard rate of corporation tax in the UK) of 20% (2016 - 20%).

The differences are reconciled below:

The notes on pages 10 to 14 form an integral part of these financial statements.

Anglian Water International Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

	2017 £ 000	2016 £ 000
Profit before tax	<u>1</u>	<u>413</u>
Corporation tax at standard rate	-	83
Increase (decrease) in current tax from adjustment for prior periods	<u>-</u>	<u>(1)</u>
Total tax charge	<u>-</u>	<u>82</u>

8 Intercompany loan forgiveness

Other comprehensive income arose as part of a group restructure which occurred on 7 June 2016. The company's immediate parent undertaking changed from Anglian Water International Holdings Limited to Anglian Venture Holdings Limited, as per the Strategic Report.

9 Trade receivables

	2017 £ 000	2016 £ 000
Trade receivables from group undertakings	<u>-</u>	<u>331</u>

Amounts owed from group undertakings are unsecured, interest free and repayable on demand.

10 Cash and cash equivalents

	2017 £ 000	2016 £ 000
Cash at bank	<u>-</u>	<u>823</u>

11 Share capital

Authorised, called up and fully paid shares

	No.	2017 £	No.	2016 £
Share capital of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

The company has one class of ordinary shares which carries no right to fixed income.

12 Trade and other payables

	2017 £ 000	2016 £ 000
Amounts due to group undertakings	<u>-</u>	<u>6,386</u>

Amounts owed to group undertakings were unsecured, interest free and repayable on demand (see also Note 8).

The notes on pages 10 to 14 form an integral part of these financial statements.

Anglian Water International Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

13 Parent of group in whose consolidated financial statements the company is consolidated

On 7 June 2016 the company's immediate parent undertaking changed from Anglian Water International Holdings Limited to Anglian Venture Holdings Limited, a company registered in England.

Osprey Holdings Limited is the parent company of the smallest group to consolidate the financial statements of the company, copies of which can be obtained from the registered address at Lancaster House, Lancaster Road, Ermine Business Park, Huntingdon, Cambridgeshire PE29 6XU.

Anglian Water Group Limited is the parent company of the largest group to consolidate the financial statements of the company, copies of which can be obtained from the registered address at Lancaster House, Lancaster Road, Ermine Business Park, Huntingdon, Cambridgeshire PE29 6XU.

The directors consider Anglian Water Group Limited, a company registered in Jersey, to be the ultimate parent undertaking and controlling party. Anglian Water Group Limited is itself owned and controlled by a consortium of investors consisting of the Canada Pension Plan Investment Board, Colonial First State Global Asset Management, Industry Funds Management (IFM), and 3i.