

Registration number: 03936645

# AWG Parent Co Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2019



# **AWG Parent Co Limited**

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## **AWG Parent Co Limited**

### **Company Information**

<b>Directors</b>	S R Billingham J A Bryce M Mehta N P Mills R S Napier P J Simpson D J Symonds J R Barry A Nassuphis P Banerjea M Jamai S J Buck B T D Ogier
<b>Registered office</b>	Lancaster House Lancaster Way Ermine Business Park Huntingdon Cambridgeshire PE29 6XU United Kingdom
<b>Independent Auditor</b>	Deloitte LLP Statutory Auditor London, United Kingdom

## AWG Parent Co Limited

### Strategic Report for the Year Ended 31 March 2019

The directors present their strategic report for the year ended 31 March 2019.

#### **Fair review of the business**

The principal activity of the company is that of a holding company within the group of companies headed by Anglian Water Group Limited.

The company made a loss for the financial year of £70,426,000 (2018: loss £67,124,000). The net assets of the company at 31 March 2019 were £3,587,960,000 (2018: £3,471,886,000).

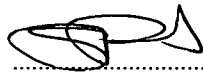
During the year the company made dividend payments of 56p (2018: 1.15p) per ordinary share amounting to £57,500,000 (2018: £117,571,000). In addition, an interim dividends of 19p per ordinary share totalling £62,200,000 was declared on 3 June 2019 and paid on the 7 June 2019. This dividend has not been included as a liability at 31 March 2019.

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 company 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, as discussed in the Osprey Acquisitions Limited group financial statements, and are not managed separately.

Approved by the Board on 20/12/2019 and signed on its behalf by:



S J Buck  
Director

## **AWG Parent Co Limited**

### **Directors' Report for the Year Ended 31 March 2019**

The directors present their report and the audited financial statements for the year ended 31 March 2019.

#### **Directors of the company**

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

S R Billingham

J A Bryce

C M Hogg (resigned 23 May 2018)

S R J Longhurst (resigned 31 July 2019)

M Mehta

N P Mills

R S Napier

A Nassuphis (resigned 22 June 2018)

B T D Ogier (resigned 18 July 2018)

P J Simpson

D J Symonds

J R Barry

A Nassuphis (appointed 18 July 2018)

P Banerjea (appointed 22 June 2018)

M Jamai (appointed 22 June 2018)

The following directors were appointed after the year end:

S J Buck (appointed 1 August 2019)

B T D Ogier (appointed 26 July 2019)

#### **Principal activity**

The principal activity of the company is that of a holding company within the group of companies headed by Anglian Water Group Limited.

#### **Dividends**

During the year the company made dividend payments of 56p (2018: 1.15p) per ordinary share amounting to £57,500,000 (2018: £117,571,000). In addition, an interim dividends of 19p per ordinary share totalling £62,200,000 was declared on 3 June 2019 and paid on the 7 June 2019. This dividend has not been included as a liability at 31 March 2019.

#### **Financial instruments**

##### **Objectives and policies**

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

##### **Future developments**

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

## **AWG Parent Co Limited**

### **Directors' Report for the Year Ended 31 March 2019**

#### **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. For further details, see note 2 - Accounting policies.

#### **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. This insurance is in place throughout the financial year and up to the date of signing the financial statements.

#### **Disclosure of information to the auditors**

Each director has taken all the 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**

The auditors Deloitte LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **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), 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.

## **AWG Parent Co Limited**

### **Directors' Report for the Year Ended 31 March 2019**

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 20/12/2019 and signed on its behalf by:



.....  
S J Buck  
Director

## **AWG Parent Co Limited**

### **Independent Auditor's Report to the Members of AWG Parent Co Limited**

#### **Opinion**

In our opinion the financial statements AWG Parent Co Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- Profit and Loss Account,
- Statement of Comprehensive Income,
- Balance Sheet,
- Statement of Changes in Equity; and
- the related notes 1 to 16

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 Financial Reporting Standard 101 'Reduced Disclosure Framework'.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We are required by the ISAs (UK) to report in respect of the the following matters where:

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

We have nothing to report in respect of these matters.

#### **Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.



## **AWG Parent Co Limited**

### **Independent Auditor's Report to the Members of AWP Parent Co Limited**

#### **Responsibilities of directors**

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

#### **Report on other legal and regulatory requirements**

##### **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 the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or directors' report.

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

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

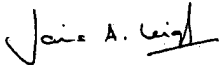
We have nothing to report in respect of these matters.

## **AWG Parent Co Limited**

### **Independent Auditor's Report to the Members of A WG Parent Co Limited**

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



James Leigh (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP, Statutory Auditor

London, United Kingdom

Date: 20 December 2019

# AWG Parent Co Limited

## Profit and Loss Account for the Year Ended 31 March 2019

	Note	2019 £ 000	2018 £ 000
Revenue		-	-
Operating result		-	-
Interest receivable and similar income	3	19	2
Interest payable and similar expenses	4	(86,476)	(82,401)
		(86,457)	(82,399)
Loss on ordinary activities before taxation		(86,457)	(82,399)
Tax on loss on ordinary activities	7	16,031	15,275
Loss for the financial year		(70,426)	(67,124)

The above results were derived from continuing operations.

**AWG Parent Co Limited**

**Statement of Comprehensive Income for the Year Ended 31 March 2019**

	<b>2019</b> <b>£ 000</b>	<b>2018</b> <b>£ 000</b>
Loss for the year	(70,426)	(67,124)
<b>Items that will not be reclassified subsequently to profit or loss</b>		
Surplus/(deficit) on revaluation of other assets	<u>222,000</u>	<u>503,000</u>
Total comprehensive income for the year	<u><u>151,574</u></u>	<u><u>435,876</u></u>

The notes on pages 13 to 26 form an integral part of these financial statements.

# AWG Parent Co Limited

**(Registration number: 03936645)**  
**Balance Sheet as at 31 March 2019**

	Note	2019 £ 000	2018 £ 000
<b>Fixed assets</b>			
Investments	8	5,775,000	5,553,000
<b>Current assets</b>			
Income tax asset	7	16,031	15,275
Cash and cash equivalents	9	21,072	4,787
		<u>37,103</u>	<u>20,062</u>
<b>Creditors: Amounts falling due within one year</b>			
Trade and other payables	12	(45,775)	(39,783)
Other current financial liabilities	15	(750)	-
Creditors: Amounts falling due within one year		<u>(46,525)</u>	<u>(39,783)</u>
Net current liabilities		<u>(9,422)</u>	<u>(19,721)</u>
Total assets less current liabilities		<u>5,765,578</u>	<u>5,533,279</u>
<b>Creditors: Amounts falling due after more than one year</b>			
Loans and borrowings	11	(2,172,815)	(2,056,658)
Other non-current financial liabilities	15	(4,803)	(4,735)
Creditors: Amounts falling due after more than one year		<u>(2,177,618)</u>	<u>(2,061,393)</u>
Net assets		<u>3,587,960</u>	<u>3,471,886</u>
<b>Capital and reserves</b>			
Called up share capital	10	32,196	10,196
Revaluation reserve		3,150,000	2,928,000
Other reserves		8	8
Profit and loss account		<u>405,756</u>	<u>533,682</u>
Total Shareholders' funds		<u>3,587,960</u>	<u>3,471,886</u>

The financial statements on pages 9 to 26 were approved by the Board on 20/12/2019 and signed on its behalf by:



S J Buck  
Director

The notes on pages 13 to 26 form an integral part of these financial statements.

**AWG Parent Co Limited**

**Statement of Changes in Equity for the Year Ended 31 March 2019**

	<b>Called up Share capital £ 000</b>	<b>Revaluation reserve £ 000</b>	<b>Other reserves £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total Shareholders' funds £ 000</b>
At 1 April 2018	10,196	2,928,000	8	533,682	3,471,886
Loss for the financial year	-	-	-	(70,426)	(70,426)
Other comprehensive income	-	222,000	-	-	222,000
Total comprehensive income	-	222,000	-	(70,426)	151,574
Dividends	-	-	-	(57,500)	(57,500)
New share capital subscribed	22,000	-	-	-	22,000
At 31 March 2019	32,196	3,150,000	8	405,756	3,587,960

	<b>Called up Share capital £ 000</b>	<b>Revaluation reserve £ 000</b>	<b>Other reserves £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total Shareholders' funds £ 000</b>
At 1 April 2017	10,196	2,425,000	8	718,377	3,153,581
Loss for the financial year	-	-	-	(67,124)	(67,124)
Other comprehensive income	-	503,000	-	-	503,000
Total comprehensive income	-	503,000	-	(67,124)	435,876
Dividends	-	-	-	(117,571)	(117,571)
At 31 March 2018	10,196	2,928,000	8	533,682	3,471,886

Other reserves is a merger reserve that arose due to the Scheme of Arrangement that was undertaken by the Company in 2001.

The notes on pages 13 to 26 form an integral part of these financial statements.

## **AWG Parent Co Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2019**

#### **1 General information**

The company is a private company limited by share capital, incorporated in the United Kingdom under the Companies Act 2006 and registered in England.

The address of its registered office is:

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

The nature of the Company's operations and its principal activities are set out in the strategic report on page 2.

#### **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.

## **AWG Parent Co Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2019**

#### **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 16 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. There is estimation applied in reviewing and revaluing the investment balance on an annual basis; this is determined on a fair value less costs to sell methodology. The calculation of fair value uses a multiple of Regulatory Capital Value (RCV) with reference to the recent transactions that have taken place in the regulated water sector, and the market values of the listed companies in the sector. The basis applied has been deemed appropriate as it is consistent with the economic value as assessed by management and other market participants.

Given the straight forward nature of the company no other 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, other than in respect of the revaluation of investments, 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.

#### **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 (comparative information 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.

The notes on pages 13 to 26 form an integral part of these financial statements.



## **AWG Parent Co Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2019**

#### **Going concern**

The company has net current liabilities. The company has received confirmation from a fellow subsidiary undertaking that it will provide financial support as and when required. Accordingly, the directors believe that it is appropriate for these financial statements to be prepared on a going concern basis.

#### **Exemption from preparing group financial statements**

The financial statements contain information about AWG Parent Co Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Osprey Acquisitions Limited, a company incorporated in England.

#### **New standards, amendments and interpretations**

None of the standards, interpretations and amendments effective for the first time from 1 April 2018 have had a material effect on the financial statements.

#### **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.

#### **Fixed assets investments**

Fixed asset investments are recorded at fair value which is determined based on the UK regulated water, water recycling and environmental service provider which accounts for the largest investment using a fair value less costs to sell methodology, using a multiple of Regulatory Capital Value (RCV) with reference to the recent transactions that have taken place in the regulated water sector, and the market value of the listed companies operating in the regulated water sector. The basis applied is consistent with the economic value as assessed by management and other market participants.

#### **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.

#### **Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

## AWG Parent Co Limited

### Notes to the Financial Statements for the Year Ended 31 March 2019

#### Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

#### Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### Dividends

Dividend distributions to the company's shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

#### 3 Interest receivable and similar income

	2019 £ 000	2018 £ 000
Interest income on bank deposits	19	2

#### 4 Interest payable and similar expenses

	2019 £ 000	2018 £ 000
Interest on bank overdrafts and borrowings	485	403
Interest on loans from group undertakings	85,991	81,998
	86,476	82,401

#### 5 Directors' remuneration

In this and the prior year the directors' remuneration is borne by another group company and is not recharged.

For details of the remuneration paid to S R Billingham, S R J Longhurst and P J Simpson refer to the Annual Report and Financial Statements of Anglian Water Services Limited, copies of which can be obtained from the Company Secretary, Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU.

All other directors are remunerated by companies outside of the Group.

There were no employees of the company in this or the preceding year.

# AWG Parent Co Limited

## Notes to the Financial Statements for the Year Ended 31 March 2019

### 6 Auditor's remuneration

The auditor's remuneration for audit services to the company of £2,000 (2018: £2,000) is borne by another group undertaking and is not recharged to the company.

### 7 Tax on loss

Tax (credited) to the income statement

	2019 £ 000	2018 £ 000
<b>Current taxation</b>		
UK corporation tax	<u>(16,031)</u>	<u>(15,275)</u>

The tax on the loss before taxation for the year is different to the standard rate of corporation tax in the UK (2018 - different to the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £ 000	2018 £ 000
Loss before tax	<u>(86,457)</u>	<u>(82,399)</u>
Corporation tax at standard rate	(16,427)	(15,656)
Increase in current tax from adjustment for prior periods	303	-
Increase from effect of expenses not deductible in determining taxable profit (tax loss)	<u>93</u>	<u>381</u>
Total tax credit	<u>(16,031)</u>	<u>(15,275)</u>

The standard rate of Corporation tax in the UK reduced from 20% to 19% with effect from 1 April 2017. Accordingly the company's losses for this accounting period are taxed at the standard rate of 19% (2018: 19%). The standard rate will fall further to 17% with effect from 1 April 2020 per Finance Act 2016.

Amounts recognised in other comprehensive income

	2019 Before tax £ 000	2019 Tax (expense) benefit £ 000	Net of tax £ 000	2018 Before and net of tax £ 000
Surplus/(deficit) on revaluation of other assets	<u>222,000</u>	<u>-</u>	<u>222,000</u>	<u>503,000</u>

The notes on pages 13 to 26 form an integral part of these financial statements.

## AWG Parent Co Limited

### Notes to the Financial Statements for the Year Ended 31 March 2019

#### 8 Investments

Subsidiaries	£ 000
<b>Cost</b>	
At 1 April 2017	5,050,000
Revaluation	<u>503,000</u>
At 31 March 2018	<u>5,553,000</u>
At 1 April 2018	5,553,000
Revaluation	<u>222,000</u>
At 31 March 2019	<u>5,775,000</u>
<b>Carrying amount</b>	
At 31 March 2019	<u>5,775,000</u>
At 31 March 2018	<u>5,553,000</u>

The company undertakes a review of its investments on an annual basis to determine whether the carrying value of the investment needs to be revalued upwards, or impaired. As the Anglian Water business segment (the Group's UK regulated water, water recycling and environmental service provider) accounts for the largest investment, it is deemed appropriate that the investments are reviewed using a fair value less costs to sell methodology, using a multiple of Regulatory Capital Value (RCV) with reference to the recent transactions that have taken place in the regulated water sector, and the market value of the listed companies operating in the regulated water sector. The basis applied is consistent with the economic value as assessed by management and other market participants.

The current comparable transactions in the sector indicate that current multiples are 1.25x, although these have been between 1.2x and 1.4x RCV in recent years. The implied multiples for the listed water companies are also around 1.25x based on current market capitalisation. The investment balance has therefore been reviewed and valued using a multiple of 1.25x.

#### 9 Cash and cash equivalents

	31 March 2019 £ 000	31 March 2018 £ 000
Cash at bank	<u>21,072</u>	<u>4,787</u>

# AWG Parent Co Limited

## Notes to the Financial Statements for the Year Ended 31 March 2019

### 10 Called up Share capital

#### Authorised, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
Ordinary Shares of £0.001 each	<u>32,195,603,281</u>	<u>32,195,603</u>	<u>10,195,603,281</u>	<u>10,195,603</u>

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

During the year the company issued shares at par value to its immediate parent for cash, this was as part of the Groups commitment to reduce gearing in the regulated water business of which this company is its indirect parent.

#### New shares allotted

During the year 22,000,000,000 ordinary shares having an aggregate nominal value of £22,000,000 were allotted for an aggregate consideration of £22,000,000.

### 11 Loans and borrowings

	2019 £ 000	2018 £ 000
<b>Non-current loans and borrowings</b>		
Amounts owed to group undertakings	<u>2,172,815</u>	<u>2,056,658</u>

£791,000,000 (2018: £791,000,000) of loans due to subsidiary undertakings are repayable in 2052 and have an interest rate of LIBOR plus 2%. The remaining £1,381,815,000 (2018: £1,265,658,000) has a repayment date of April 2021 and an interest rate of LIBOR plus 4.75%.

All creditors are unsecured.

### 12 Trade and other payables

	31 March 2019 £ 000	31 March 2018 £ 000
Amounts due to related parties	45,774	39,782
Other payables	<u>1</u>	<u>1</u>
	<u>45,775</u>	<u>39,783</u>

Amounts owed to related parties are interest free, unsecured, repayable on demand with no fixed repayment date.

## AWG Parent Co Limited

### Notes to the Financial Statements for the Year Ended 31 March 2019

#### 13 Dividends

	2019 £ 000	2018 £ 000
Dividend of £0.0056 (2018 - £0.0115) per ordinary share	<u>57,500</u>	<u>117,571</u>

An interim dividend of 19p per ordinary share totalling £62,200,000 was declared on 3 June 2019 and paid on 7 June 2019, which is not included in the liability above.

#### 14 Parent and ultimate parent undertaking

The company is controlled by Osprey Acquisitions Limited, a company registered in England.

Osprey Acquisitions 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 office at Lancaster House, Lancaster Way, 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 office at Lancaster House, Lancaster Way, 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, First Sentier Investors, IFM Investors, Infinity Investments S.A. and Camulodunum Investments Limited.

#### 15 Transactions with key management

A scheme is in place to encourage investment in the group by Key Management on an equivalent basis as the consortium of shareholders. Key Management are individuals who provide management services to the subsidiaries AWG Group Limited and Anglian Water Services Limited. During the year a return of £0.4 million (2018: £0.4 million) was earned. At 31 March 2019 £5.6 million (2018: £4.7 million) was loaned to the group by Key Management under this scheme. Of this, £0.8 million (2018: £nil) was due within one year with the remaining £4.8 million (2018: £4.7 million) due after more than one year. The scheme will pay out in 2020.

## AWG Parent Co Limited

### Notes to the Financial Statements for the Year Ended 31 March 2019

#### 16 Group Undertakings

Details of the subsidiaries as at 31 March 2019 are as follows:

Name	Registered office	Percentage holding (%)	Principal activity
<b>Owned directly by AWG Parent Co Limited</b>			
AWG Central Services Limited	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	100	Non-trading
AWG Holdings Limited	Queensway House, Hilgrove Street, St Helier, JE1 1ES, Jersey, Channel Islands	100	Holding company
<b>All subsidiary undertakings</b>			
Alexander Morrison Limited	Ocean Point, 1st Floor, 94 Ocean Drive, Edinburgh, EH6 6JH, United Kingdom	100	Holding company
Ambury Developments Limited	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	100	Property rental
Anglian Water Business Limited	Ocean Point, 1st Floor, 94 Ocean Drive, Edinburgh, EH6 6JH, United Kingdom	100	Non-trading
Anglian Water Direct Limited	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	100	Non-trading
Anglian Water Facilities Management Holdings (UK) Limited	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	100	Non-trading
Anglian Water Fleet Management Holdings (UK) Limited	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	100	Non-trading
Anglian Water International Holdings Limited	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	100	Non-trading
Wave Water Limited (previously called Anglian Water Overseas Holdings Limited)	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	100	Non-trading
Anglian Water Property Holdings (UK) Limited	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	100	Non-trading
Anglian Water Services Financing Plc	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	100	Raising of debt

The notes on pages 13 to 26 form an integral part of these financial statements.

## AWG Parent Co Limited

### Notes to the Financial Statements for the Year Ended 31 March 2019

Name	Registered office	Percentage holding (%)	Principal activity
Anglian Water Services Holdings Limited	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	100	Holding company
Anglian Water Services Limited	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	100	Water and water recycling
Anglian Water Services UK Parent Co Limited	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	100	Holding company
AW Creative Technologies Limited	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	100	Non-trading
AW Licensing Limited	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	100	Non-trading
AWG Business Centres Limited	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	100	Property rental
AWG Group Limited	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	100	Holding Company
AWG Land Holdings Limited	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	100	Property development
AWG Land Investments Limited	Ocean Point, 1st Floor, 94 Ocean Drive, Edinburgh, EH6 6JH, United Kingdom	100	Non-trading
AWG Outlet Centers Limited	Ocean Point, 1st Floor, 94 Ocean Drive, Edinburgh, EH6 6JH, United Kingdom	100	Non-trading
AWG Property Developments (Ireland) Limited	1 Stokes Place, St Stephens Green, Dublin 2, Ireland	100	Non-trading
AWG Property Director Limited	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	100	Non-trading
AWG Property Limited	Ocean Point, 1st Floor, 94 Ocean Drive, Edinburgh, EH6 6JH, United Kingdom	100	Holding company
AWG Property Solutions Limited	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	100	Non-trading
AWG Residential Limited	Ocean Point, 1st Floor, 94 Ocean Drive, Edinburgh, EH6 6JH, United Kingdom	100	Holding company
AWG Shelf 11 Limited	Ocean Point, 1st Floor, 94 Ocean Drive, Edinburgh, EH6 6JH, United Kingdom	100	Non-trading

The notes on pages 13 to 26 form an integral part of these financial statements.



## AWG Parent Co Limited

### Notes to the Financial Statements for the Year Ended 31 March 2019

Name	Registered office	Percentage holding (%)	Principal activity
Cambuslang Retail Portfolio Limited	Ocean Point, 1st Floor, 94 Ocean Drive, Edinburgh, EH6 6JH, United Kingdom	100	Non-trading
Chester (1995) Limited	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	97	Non-trading
CS Amenities Limited	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	100	Non-trading
CS Management Company (2002) Limited	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	100	Non-trading
DMWS 819 Limited	Ocean Point, 1st Floor, 94 Ocean Drive, Edinburgh, EH6 6JH, United Kingdom	100	Non-trading
DMWS 822 Limited	Ocean Point, 1st Floor, 94 Ocean Drive, Edinburgh, EH6 6JH, United Kingdom	100	Non-trading
DMWS 823 Limited	Ocean Point, 1st Floor, 94 Ocean Drive, Edinburgh, EH6 6JH, United Kingdom	100	Non-trading
DMWS 824 LLP 1	Ocean Point, 1st Floor, 94 Ocean Drive, Edinburgh, EH6 6JH, United Kingdom	100	Non-trading
Eastland Developments Limited	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	100	Non-trading
Edmund Homes Limited	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	100	Non-trading
Farm Gas Limited	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	100	Non-trading
Graham Street Airdrie Retail Portfolio Limited	Ocean Point, 1st Floor, 94 Ocean Drive, Edinburgh, EH6 6JH, United Kingdom	100	Non-trading
H2GO Limited	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	100	Non-trading
Macrocom (743) Limited	Ocean Point, 1st Floor, 94 Ocean Drive, Edinburgh, EH6 6JH, United Kingdom	100	Property rental
Wave Holdings Limited (previously called Morco (3) Limited)	Ocean Point, 1st Floor, 94 Ocean Drive, Edinburgh, EH6 6JH, United Kingdom	100	Non-trading
Wave Environmental Limited (previously called Morrison Biggs Wall Limited)	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	100	Non-trading

The notes on pages 13 to 26 form an integral part of these financial statements.

## AWG Parent Co Limited

### Notes to the Financial Statements for the Year Ended 31 March 2019

Name	Registered office	Percentage holding (%)	Principal activity
Morrison Caspian Limited	Ocean Point, 1st Floor, 94 Ocean Drive, Edinburgh, EH6 6JH, United Kingdom	100	Non-trading
Morrison Gloscha Limited	Ocean Point, 1st Floor, 94 Ocean Drive, Edinburgh, EH6 6JH, United Kingdom	100	Non-trading
Morrison Holdings Limited	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	100	Holding company
Morrison International Developments Limited	Ocean Point, 1st Floor, 94 Ocean Drive, Edinburgh, EH6 6JH, United Kingdom	100	Holding company
Morrison International Limited	Ocean Point, 1st Floor, 94 Ocean Drive, Edinburgh, EH6 6JH, United Kingdom	100	Non-trading
Wave Utilities Limited (formerly called Morrison Lema Homes Limited)	Ocean Point, 1st Floor, 94 Ocean Drive, Edinburgh, EH6 6JH, United Kingdom	100	Non-trading
Morrison Leneghan Irl Limited	6th Floor, Southbank House, Barrow Street, Dublin 4, Ireland	60	Non-trading
Morrison Properties Limited	Ocean Point, 1st Floor, 94 Ocean Drive, Edinburgh, EH6 6JH, United Kingdom	100	Non-trading
Morrison Property Investments Limited	Ocean Point, 1st Floor, 94 Ocean Drive, Edinburgh, EH6 6JH, United Kingdom	100	Non-trading
Morrison Rail Limited	Ocean Point, 1st Floor, 94 Ocean Drive, Edinburgh, EH6 6JH, United Kingdom	100	Non-trading
Morrison Shand Construction Limited	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	100	Non-trading
Morrison Ventures Limited	Ocean Point, 1st Floor, 94 Ocean Drive, Edinburgh, EH6 6JH, United Kingdom	100	Non-trading
NVB Rathdowney Limited	Rathdowney Shopping Outlet, Johnston Road, Rathdowney, Co Laois, Ireland	100	Non-trading
Rutland Insurance Limited	PO Box 33, Dorey Court, Admiral Park, St Peter Port, GY1 4AT, Guernsey, Channel	100	Insurance
Shand Construction Limited	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	100	Non-trading
Shawlands Developments I	Ocean Point, 1st Floor, 94 Ocean Drive, Edinburgh, EH6 6JH, United Kingdom	100	Non-trading
Valuetype Limited	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	100	Property rental

The notes on pages 13 to 26 form an integral part of these financial statements.

## AWG Parent Co Limited

### Notes to the Financial Statements for the Year Ended 31 March 2019

Name	Registered office	Percentage holding (%)	Principal activity
AWG Rail Services Limited (previously called Wave Environmental Limited)	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	100	Non-trading
Morrison (Oldco) Limited (previously called Wave Holdings Limited)	Ocean Point, 1st Floor, 94 Ocean Drive, Edinburgh, EH6 6JH, United Kingdom	100	Non-trading
Morco (8) Limited (previously called Wave Utilities Limited)	Ocean Point, 1st Floor, 94 Ocean Drive, Edinburgh, EH6 6JH, United Kingdom	100	Non-trading
Morco 2 Limited (previously called Wave Water Limited)	Ocean Point, 1st Floor, 94 Ocean Drive, Edinburgh, EH6 6JH, United Kingdom	100	Non-trading
<b>Joint ventures</b>			
124 St Vincent Street (Glasgow) LLP (a)	Moorfields, 101 Rose Street, South Lane, Edinburgh, EH2 3JG, United Kingdom	50	Non-trading
AWG Outlets (Rathdowney) Limited	1 Stokes Place, St Stephens Green, Dublin 2, Ireland	50	Non-trading
Castlemilk Retail LLP (a)	Moorfields, 101 Rose Street, South Lane, Edinburgh, EH2 3JG, United Kingdom	50	Non-trading
City Road Properties (Chester) Limited	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	50	Non-trading
Crowwood Grange Estates Limited	Ocean Point, 1st Floor, 94 Ocean Drive, Edinburgh, EH6 6JH, United Kingdom	50	Non-trading
Excel Centre Aberdeen Limited (a)	Moorfields, 101 Rose Street, South Lane, Edinburgh, EH2 3JG, United Kingdom	50	Non-trading
Gwent Euro Park Management Company Limited	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	42	Non-trading
Hollowstone Limited	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	50	Non-trading
Kings Waterfront Properties Limited	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	50	Non-trading
Leith Walk Properties Limited (a)	Moorfields, 101 Rose Street, South Lane, Edinburgh, EH2 3JG, United Kingdom	50	Non-trading
Morrison Gwent Limited	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire	50	Non-trading

The notes on pages 13 to 26 form an integral part of these financial statements.

## AWG Parent Co Limited

### Notes to the Financial Statements for the Year Ended 31 March 2019

Name	Registered office	Percentage holding (%)	Principal activity
Morrison Residential Properties Limited	Ocean Point, 1st Floor, 94 Ocean Drive, Edinburgh, EH6 6JH, United Kingdom	50	Non-trading
Ocean Point Developments Limited (a)	Moorfields, 101 Rose Street, South Lane, Edinburgh, EH2 3JG, United Kingdom	50	Non-trading
Palacecraig Street Coatbridge Limited (a)	Moorfields, 101 Rose Street, South Lane, Edinburgh, EH2 3JG, United Kingdom	50	Non-trading
Rathdowney Shopping Centre Management Company Limited	1 Stokes Place, St Stephens Green, Dublin 2, Ireland	50	Non-trading
Spreevale Limited	15 Clanwilliam Terrace, Dublin 2, Ireland	50	Non-trading
(a) In administration			

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