

Registered N° 03954867

Dŵr Cymru (Holdings) Limited

Annual report and financial statements
for the year ended 31 March 2021



Registered office

Linea
Fortran Road
St Mellons
Cardiff
CF3 0LT

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Directors' report

The Directors have pleasure in presenting their annual report to the shareholder, together with the audited financial statements for the year ended 31 March 2021 on pages 7 to 14.

Directors

The Directors who served during the year and up to the date of signing the financial statements are as shown below. Certain directors benefited from qualifying third party indemnity provisions in place during the financial year.

P Perry
P M Davis
R Morgan (appointed 1 November 2020, alternate director to P M Davis)

Dividends

No dividend was declared or paid during the year to 31 March 2021 (2020: none).

Political donations

The Company made no political donations and incurred no political expenditure during the year to 31 March 2021 (2020: none).

Business review and future developments

The principal activity of Dŵr Cymru (Holdings) Limited (the Company) is that of an intermediate holding company within the Glâs Cymru Holdings Cyfyngedig group (the Group). The Company is a wholly owned subsidiary of Glas Cymru (Securities) Cyfyngedig, a company incorporated, registered and domiciled in Wales in the United Kingdom (registered number 04129132). Details of the Company's share capital and voting rights are disclosed in note 9 to the financial statements.

Profit for the financial year was £nil (2020: £5,845,000). Profit for the last financial year related to dividend income received from Dŵr Cymru (Financing) Limited.

The balance sheet on page 8 shows that the Company held net assets of £433,798,000 as at 31 March 2021 (2020: £433,798,000).

The company has not conducted any business in the current or prior year and no change is anticipated to the activity of the company in the coming year.

Financial risk management objectives and policies

The direct risk to the Company is any impairment of its investment in subsidiaries. The Directors have considered the carrying value of the Company's investments as at the balance sheet date and are satisfied that there is no impairment.

From the perspective of the Company, all other principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the Company, are disclosed within the Group's annual report which does not form part of this report (a copy can be obtained from the Company Secretary at the registered address of Linea, Fortran Road, St Mellons, Cardiff, CF3 0LT).

The Directors of the Group manage its operations on an overall basis. For this reason, the Company's Directors believe that analysis using key performance indicators is neither necessary nor appropriate for an understanding of the development, performance or position of the business of Dŵr Cymru (Holdings) Limited. The development, performance and position of the group, which includes the Company, are discussed within the Group's annual report.

Going concern

The Company has not traded in the year, however its principal activity is to act as a holding company and the Directors therefore deem it to be a going concern.

Brexit

For the UK as a whole Brexit was a high-profile issue throughout the year to 31 March 2021 and the Group committed much time and effort to assessing its potential impact. While the United Kingdom (UK) withdrew from the European Union on 31 January 2020, a period of transition meant that the UK continued to participate in the European Customs Union and the European Single Market until 31 December 2020; from 1 January 2021 these have been replaced by the EU-UK Trade and Cooperation Agreement. The Directors, having regard to the Company's sources of finance and future plans, do not consider that Brexit is likely to have a material impact on the activities of the Company.

Directors' report (continued)

COVID-19

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak to be a pandemic and the virus continued to spread throughout the UK during the year to 31 March 2021. The Directors have reviewed the impact of COVID-19 on the Company's activities and do not consider that the pandemic will have any significant detrimental impact on the Company's future performance or balance sheet valuation.

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director 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.

Independent auditor

KPMG LLP will be proposed as the Company's auditor for the financial year ending 31 March 2022 and a resolution relating to this appointment will be put to the Company's members.

By order of the Board.



N Williams
Company Secretary

Registered office:

Linea
Fortran Road
St Mellons
Cardiff
CF3 0LT

4 June 2021

Statement of Directors' responsibilities

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Dŵr Cymru (Holdings) Limited

Opinion

We have audited the financial statements of Dwr Cymru (Holdings) Limited ("the company") for the year ended 31 March 2021 which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its result for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period; and
- we found the going concern disclosure in note 1 to be acceptable.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of directors and inspection of policy documentation as to the Glas Cymru Holding Cyfyngedig's policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

We performed procedures including identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included cash entries made to unrelated accounts.

Independent auditor's report to the members of Dŵr Cymru (Holdings) Limited (continued)

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

Independent auditor's report to the members of Dŵr Cymru (Holdings) Limited (continued)

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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 Ledward (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
3 Assembly Square
Britannia Quay
Cardiff
CF10 4AX

4 June 2021

Income statement for the year ended 31 March 2021

	Note	2021 £000	2020 £000
Operating profit	3	-	-
Income from shares in group undertakings	10	-	5,845
Result/profit before taxation		-	5,845
Taxation	5	-	-
Result/profit for the year		-	5,845

All profits of the company are from continuing operations.

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

The notes on pages 10 to 14 form part of the financial statements.

Balance sheet as at 31 March 2021

		2021 £000	2020 £000
Assets			
Non-current assets			
Investments	6	427,545	427,545
Current assets			
Trade and other receivables	7	6,313	6,343
Cash at bank and in hand		30	-
Total assets		433,888	433,888
Liabilities			
Other financial liabilities:			
- loans from group undertakings	8	(90)	(90)
Total liabilities		(90)	(90)
Net current assets		6,253	6,253
Net assets		433,798	433,798
Equity			
Share capital	9	30	30
Retained earnings		433,768	433,768
Total equity		433,798	433,798

The notes on pages 10 to 14 form part of the financial statements.

These financial statements were approved by the Board of Directors on 4 June 2021 and were signed on its behalf by:



P M Davis
Director

Registered No 03954867

Statement of changes in equity for the year ended 31 March 2021

	Share capital £000	Retained earnings £000	Total equity £000
At 1 April 2019	30	427,923	427,953
Result for the year	-	5,845	5,845
At 31 March 2020	30	433,768	433,798
Result for the year	-	-	-
At 31 March 2021	30	433,768	433,798

Cash flow statement for the year ended 31 March 2021

	Note	2021 £000	2020 £000
Cash flow from financing activities			
Loan made to group undertaking		-	(2,812)
Loan repayment from group undertaking		30	-
Dividend received from group undertaking		-	2,812
Net cash flow from investing activities		30	-
Increase in cash and cash equivalents		30	-
Cash and cash equivalents at 1 April		-	-
Cash and cash equivalents at 31 March		30	-

Notes to the financial statements

1 Principal accounting policies

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

Basis of preparation

Dŵr Cymru (Holdings) Limited (the Company) is a private company incorporated, domiciled and registered in Wales in the UK. The registered number is 03954867 and the registered address is Linea, Fortran Road, St Mellons, Cardiff, CF3 0LT.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company's financial statements have been prepared and approved by the Directors in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The financial statements have been prepared under the historical cost convention. The presentational currency of these accounts is GBP and all balances are shown rounded in £000.

The Directors assess that there are no significant estimates or judgements to disclose.

At the date of approval of these financial statements, the Amendments, which have not been applied in these financial statements, were in issue but not yet effective:

Amendments

- IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' amendments relating to Interest Rate Benchmark Reform ('IBOR') reform Phase 1 exceptions.
- IFRS 3 'Business Combinations' amendments to the definitions of a business
- IFRS 16 amendments relating to COVID-19 related rent concessions
- IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changing in Accounting Estimates and Errors' amendments to the definition of materiality
- Conceptual framework revision

The Directors anticipate that the adoption of these Amendments in future periods will have no material impact on the financial statements of the Company.

Measurement convention

The financial statements are prepared on the historical cost basis. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

Going concern

Dŵr Cymru (Holdings) Limited is a holding company and does not trade; the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Notwithstanding net current assets of £433,798 as at 31 March 2021, the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

Notes to the financial statements (continued)

Going concern (continued)

Taking into account the activities of the Company, the Directors do not consider that the COVID-19 pandemic will have any material impact on the Company's operations.

In assessing the appropriateness of the going concern basis of accounting the directors have reviewed the resources available to Glas Cymru Holdings Cyfyngedig in the form of cash and committed bank facilities as well as consideration of Glas Cymru Holdings Cyfyngedig's capital adequacy, along with a baseline plan which reflects a view of the estimated impact of the COVID-19 pandemic on Glas Cymru Holdings Cyfyngedig.

Having considered these matters, the directors do not believe there are any material uncertainties to disclose in relation to Glas Cymru Holdings Cyfyngedig's ability to continue as a going concern.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Investments

Long-term investments held as non-current assets are stated at cost less amounts written off or provided to reflect impairment in value.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

1 Principal accounting policies (continued)

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Financial risk management

The Company's financial risk management is performed at group level; more information can be found in Glas Cymru Holdings Cyfyngedig's annual report and consolidated financial statements.

2 Segmental information

The Company's business is solely to act as a holding company and therefore it operates in a single segment.

3 Operating profit

The auditor's remuneration of £4,760 (2020: £4,000) has been borne by a fellow group company.

4 Directors and employees

(a) Directors' emoluments

No remuneration was paid or is payable by the Company (2020: none). The Directors are employed by other companies in the group and consider their duties to this company incidental to their other activities within the group. As a result, no qualifying services have been performed.

(b) Staff costs

The Company had no employees during the year other than the Directors (2020: none).

Notes to the financial statements (continued)

5 Taxation

	2021 £000	2020 £000
Current tax		
Current tax on profit for the year	-	-
Total current tax	<u>-</u>	<u>-</u>

The effective rate of tax for the year is the same as the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	2021 £000	2020 £000
Profit before tax	<u>-</u>	<u>5,845</u>
Profit before tax multiplied by the corporation tax rate in the UK of 19% (2020: 19%)	-	1,111
Effect of: Non-taxable income	-	(1,111)
	<u>-</u>	<u>-</u>

The effect of non-taxable income relates to dividends received from Dŵr Cymru (Financing) Limited.

6 Investments

Shares in subsidiary undertakings	2021 £000	2020 £000
Cost and net book value		
At 1 April and at 31 March	<u>427,545</u>	<u>427,545</u>

The Company owns 100% of the following entities:

	Principal activities	Country of incorporation	Holding
Dŵr Cymru Cyfyngedig	Provider of regulated water and sewerage services	England and Wales	£1 ordinary shares
Dŵr Cymru (Financing) UK plc	Investment company	England and Wales	£1 ordinary shares
Welsh Water Pension Trustee Limited	Dormant	England and Wales	£1 ordinary shares

The registered office of all the above companies is Linea, Fortran Road, St Mellons, Cardiff, CF3 0LT.

Dŵr Cymru (Financing) UK Plc was incorporated on 16 April 2019. On 1 August 2019 the trade and assets of Dŵr Cymru (Financing) Limited were transferred into Dŵr Cymru (Financing) UK Plc. Dŵr Cymru (Financing) Limited entered voluntary liquidation on 9 September 2019 and was dissolved on 22 March 2021.

7 Trade and other receivables

	2020 £000	2020 £000
Current		
Amounts owed by group undertakings	<u>6,313</u>	<u>6,343</u>
Trade and other receivables	<u>6,313</u>	<u>6,343</u>

Loan interest has been waived by the Company for these loans but is payable on demand.

Notes to the financial statements (continued)

8 Other financial liabilities – loans from group undertakings

	2020 £000	2020 £000
Current		
Loans from group undertakings	90	90
Other financial liabilities	<u>90</u>	<u>90</u>

Loan interest has been waived by the Company for these loans but is payable on demand.

9 Share capital

	2020 £000	2020 £000
Authorised		
1,000 (2020: 1,000) ordinary shares of £1 each	1	1
30,000 (2020: 30,000) redeemable preferred ordinary (non-voting) shares of £1 each	<u>30</u>	<u>30</u>
	<u>31</u>	<u>31</u>
Allotted, called-up and fully paid		
1 (2020: 1) ordinary share of £1	-	-
30,000 (2020: 30,000) redeemable preferred ordinary (non-voting) shares of £1 each	<u>30</u>	<u>30</u>
	<u>30</u>	<u>30</u>

9 Share capital (continued)

The relative rights and restrictions attaching to the redeemable preferred ordinary shares and the ordinary shares are as follow:

- (a) of the profit which the Company may from time to time decide to distribute:
 - (i) the first £50 million of such profits shall be distributed to the holder of ordinary shares;
 - (ii) the first 5% of the balance of any profits shall be distributed to the holder of the redeemable preferred ordinary shares;
 - (iii) the remainder of any profits shall be distributed pari passu to the holder of the redeemable preferred ordinary shares and the holder of ordinary shares;
- (b) the Company may redeem at par some or all of the redeemable preferred ordinary shares for the time being in issue on 31 March and/or 30 September in any year;
- (c) on any return of capital (whether on a winding up or otherwise) the amount in question shall be applied:
 - (i) first in paying to the holder of each redeemable preferred ordinary share a sum equal to the amount paid up on each redeemable preferred ordinary share;
 - (ii) secondly as to any remaining amount, in repaying the capital paid up on each ordinary shares;
 - (iii) thirdly, as to any remaining balance after the payments under sub-paragraphs (i) and (ii) above, in paying 99% of such balance to the holder of the ordinary shares and the remaining 1% to the holder of the redeemable preferred ordinary shares; and
- (d) each redeemable preferred ordinary share entitles the holder to receive notice of, but does not entitle the holder to attend and vote at, general meetings of the Company unless the business of the meeting includes the consideration of a resolution directly or indirectly modifying or varying any of the special rights, privileges or restrictions attached to the redeemable preferred ordinary shares.

10 Related party transactions

No dividend was received in the year to 31 March 2021 (2020: a dividend of £5,845,139 was received from Dŵr Cymru (Financing) Limited; £2,812,458 was paid with the remainder received as investment in the share capital of Dŵr Cymru (Financing) UK plc). No dividends were paid during the year (2020: none).

Notes to the financial statements (continued)

10 Related party transactions (continued)

Included in amounts owed by group undertakings is a loan of £2,812,458 made to Dŵr Cymru Cyfyngedig (2020: £2,812,458), a loan of £3,500,000 (2020: £3,500,000) to Glas Cymru Anghyfyngedig and a loan to Welsh Water Holdings of £nil (2020: £30,000), this having been repaid on the liquidation of Dŵr Cymru (Financing) Limited. Loan interest has been waived by the Company for these loans but is payable on demand.

Loans from group undertakings include £12,501 (2020: £12,501) owed to Dŵr Cymru (Financing) UK plc and £78,000 (2020: £78,000) relating to group tax relief.

On 1 August 2020 the Company purchased 100% of the share capital of Dŵr Cymru (Financing) UK plc:

	£
1 ordinary share of £1 each	3,032,680
1 ordinary share of £1 each	1
49,999 ordinary shares of £1 each (£0.25)	12,500
	<u>3,045,181</u>

11 Immediate and ultimate holding company

The immediate parent company is Glas Cymru (Securities) Cyfyngedig and the ultimate holding company and controlling party is Glas Cymru Holdings Cyfyngedig, both of which are registered in England and Wales at Linea, Fortran Road, St Mellons, Cardiff, CF3 0LT. The largest and smallest groups within which the results of the Company are consolidated are those headed by Glas Cymru Holdings Cyfyngedig and Glas Cymru Anghyfyngedig respectively. Both sets of consolidated financial statements can be obtained from the Company Secretary at the registered address (Linea, Fortran Road, St Mellons, Cardiff, CF3 0LT).

12 Parent company guarantee

As part of the group's bond programme a security package was granted by Dŵr Cymru Cyfyngedig (DCC) for the benefit of holders of senior bonds, finance lessors and other senior financial creditors. The obligations of DCC are guaranteed by the Company, Glas Cymru (Securities) Cyfyngedig and Glas Cymru Anghyfyngedig.

The main elements of the security package are:

- i. a first fixed and floating security over all of DCC's assets and undertakings, to the extent permitted by the Water Industry Act, its licence and other applicable law; and
- ii. a fixed and floating security given by the Company and the other guarantors referred to above which are secured on each of these companies' assets, including in the case of the Company a first fixed charge over its shares in DCC.