

# **Aberdeen Environmental Services (Holdings) Limited**

Annual report and financial statements

Registered number SC206235

Year ended 31 March 2016



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## **Directors and Advisers**

### **Directors**

P J Doherty  
G M Cawthra  
I C Washer

### **Company secretary**

A W M White

### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Benson House  
33 Wellington Street  
Leeds  
LS1 4JP

### **Registered office**

Nigg WWTP  
Coast Road  
Nigg  
Aberdeen  
AB12 3LT

## **Strategic Report**

The directors present their strategic report for the year ended 31 March 2016.

### **Principal activities and review of business**

The company acts as a holding company for Aberdeen Environmental Services Limited within the Kelda Holdings group.

### **Key performance indicators**

Due to the nature of the business, key performance indicators are not applicable.

### **Principal risks and uncertainties**

Due to the nature of the business, there are no material risks or uncertainties which require disclosure.

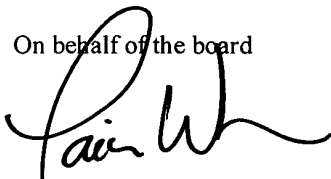
### **Future developments**

There is no intention for the company status to change or to trade in the foreseeable future.

### **Financial risk management**

The company's operations does not expose it to financial risks, this is borne by its subsidiary Aberdeen Environmental Services Limited.

On behalf of the board



**I C Washer**  
Director

29 June 2016

## **Directors' report**

The directors present their annual report and the audited financial statements of the company for the year ended 31 March 2016.

The result for the financial year after taxation amounts to £nil (2015: profit of £3,700,000).

The directors are unable to recommend the payment of a dividend (2015: £3,700,000).

### **Principal activity and review of business**

Aberdeen Environmental Services (Holdings) Limited ("the company") operates in the trading, holding, development, investment and management of land and property.

### **Directors**

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

P J Doherty (appointed 19 August 2015)

G M Cawthra

R B Marrill (appointed 6 March 2015 and resigned 26 January 2016)

I C Washer (appointed 26 January 2016)

### **Directors' statement as to disclosure of information to the auditors**

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 auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Directors' indemnities**

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of itself and its directors.

### **Independent auditors**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

Future developments and financial risk management are included within the Strategic Report.

On behalf of the board



**I C Washer**  
Director

29 June 2016

## **Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report, 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 the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (FRS 102), and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of 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.

## **Independent auditors' report to the members of Aberdeen Environmental Services (Holdings) Limited**

### **Report on the financial statements**

#### **Our opinion**

In our opinion Aberdeen Environmental Services (Holdings) Limited's financial statements (the "financial statements")

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its result 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.

#### **What we have audited**

The financial statements, included within the Annual Report and financial statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 March 2016;
- the Profit and Loss Account for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Other matters on which we are required to report by exception**

#### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

## **Independent auditors' report to the members of Aberdeen Environmental Services (Holdings) Limited (continued)**

### **Responsibilities for the financial statements and the audit**

#### **Our responsibilities and those of the 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.

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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.

*Arif Ahmad*

Arif Ahmad (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Leeds

29 June 2016



**Profit and Loss Account**  
*for the year ended 31 March 2016*

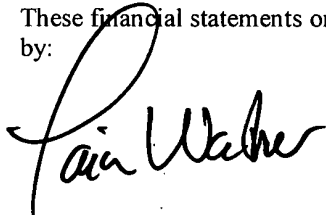
	<i>Note</i>	<b>2016</b> <b>£000</b>	<b>2015</b> <b>£000</b>
Income from shares in group undertakings		-	3,700
<b>Result/profit on ordinary activities before taxation</b>		-	3,700
<b>Result/profit for the financial year</b>		-	3,700

There are no other items of comprehensive income. Therefore, a separate statement of comprehensive income has not been prepared.

**Balance Sheet**  
*as at 31 March 2016*

	<i>Note</i>	<b>2016</b> <b>£000</b>	<b>2015</b> <b>£000</b>
<b>Fixed assets</b>			
Investments	5	<u>76</u>	<u>76</u>
<b>Net assets</b>		<u><u>76</u></u>	<u><u>76</u></u>
<b>Capital and reserves</b>			
Called up share capital	6	<u>7</u>	<u>7</u>
Share premium account		<u>69</u>	<u>69</u>
<b>Total shareholders' funds</b>		<u><u>76</u></u>	<u><u>76</u></u>

These financial statements on pages 7 to 13 were approved by the board of directors on 2<sup>nd</sup> June 2016 and were signed on its behalf by:



**I.C. Washer**  
*Director*

Company registered number: SC206235

**Statement of Changes in Equity**  
*for the year ended 31 March 2016*

	Called up Share capital £000	Share premium account £000	Profit and loss account £000	Total shareholders' funds £000
Balance at 1 April 2014	7	69	-	76
Profit for the financial year and total comprehensive income	-	-	3,700	3,700
Dividends	-	-	(3,700)	(3,700)
<b>Balance as at 31 March 2015</b>	<b>7</b>	<b>69</b>	<b>-</b>	<b>76</b>

	Called up Share capital £000	Share premium account £000	Profit and loss account £000	Total shareholders' funds £000
Balance as at 1 April 2015	7	69	-	76
<b>Balance as at 31 March 2016</b>	<b>7</b>	<b>69</b>	<b>-</b>	<b>76</b>

## **Notes**

### **1 Accounting policies**

Aberdeen Environmental Services (Holdings) Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

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.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Companies Act 2006. The presentation currency of these financial statements is sterling.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102 in the transition period. The following exemptions have been taken in these financial statements:

- Separate financial instruments - carrying amount of the Company's cost of investment in subsidiaries is its deemed cost at 1 April 2014.

Kelda Eurobond Co Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Kelda Eurobond Co Limited are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from Western House, Halifax Road, Bradford, West Yorkshire, BD6 2SZ. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation;
- Transactions between wholly-owned subsidiaries, or with their parent.

As the consolidated financial statements of Kelda Eurobond Co Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the disclosures required by FRS 102.11 Basic Financial Instruments.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### ***Measurement convention***

The financial statements are prepared on the historical cost basis.

#### ***Classification of financial instruments issued by the Company***

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Basic financial instruments*

##### *Investments in subsidiaries*

These are separate financial statements of the Company. Investments in subsidiaries are carried at cost less impairment

#### *Provisions*

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

### 2 Auditors' remuneration

The auditors' remuneration was borne by Kelda Group Limited.

### 3 Staff costs and directors' emoluments

The company does not have any employees (2015: none) and none of the directors received any remuneration from the company (2015: nil).

## Notes (continued)

### 4 Tax on result/profit on ordinary activities

#### Total tax credit recognised in the profit and loss account

	2016 £000	2015 £000
<i>Current tax</i>		
Total current tax	-	-
Total deferred tax	-	-
Total tax	<u>-</u>	<u>-</u>

#### Reconciliation of effective tax rate

	2016 £000	2015 £000
Result/profit for the financial year	-	3,700
Total tax credit included in profit or loss	-	-
Result/profit on ordinary activities before taxation	<u>-</u>	<u>3,700</u>
Tax using the UK corporation tax rate of 20% (2015: 21%)	-	777
Income not taxable	-	(777)
Total tax credit included in profit or loss	<u>-</u>	<u>-</u>

The corporation tax rate of 20% enacted in the Finance Act 2013 and applicable from 1 April 2015 has been used in preparing these financial statements.

The Finance (No 2) Act 2015 set the main rate of corporation tax rate at 19% from 1 April 2017 and 18% from 1 April 2020. These rates were substantively enacted on 25 October 2015 and the deferred tax liability at 31 March 2016 has been calculated based on these rates.

The Chancellor announced in the Budget on 16 March 2016 that the main rate of corporation tax will be reduced to 17% from 1 April 2020. This had not been substantively enacted at the balance sheet date and therefore is not included in these financial statements.

### 5 Investments

	Subsidiary undertakings £000
Cost and net book value at 1 April 2015 and 31 March 2016	<u>76</u>

The Company has the following investments in subsidiaries:

	Country of incorporation	Class of shares held	Ownership 2016 %	Ownership 2015 %
Aberdeen Environmental Services Limited	Scotland	Ordinary	100	100

## Notes (continued)

### 6 Called up share capital

	2016 £000	2015 £000
<i>Allotted, called up and fully paid</i>		
34,380 (2015:34,380) A ordinary shares of 10p each	3	3
34,380 (2015:34,380) B ordinary shares of 10p each	3	3
7,640 (2015:7,640) C ordinary shares of 10p each	1	1
	<u>7</u>	<u>7</u>

The different classes of equity rank pari passu in respect of voting dividends and other rights.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

### 7 Parent companies, controlling parties and the larger group

The Company's immediate parent undertaking is Aberdeen Holdco Limited. The ultimate parent company and controlling party is Kelda Holdings Limited.

The largest group in which the results of the Company are consolidated and made publicly available is that headed by Kelda Eurobond Co Limited, incorporated in England and Wales. The smallest group in which they are consolidated and made publicly available is that headed by Kelda Water Services Limited, incorporated in England and Wales. No other publicly available group financial statements include the results of the Company. The consolidated financial statements of these groups may be obtained from the Company Secretary, Western House, Halifax Road, Bradford BD6 2SZ.