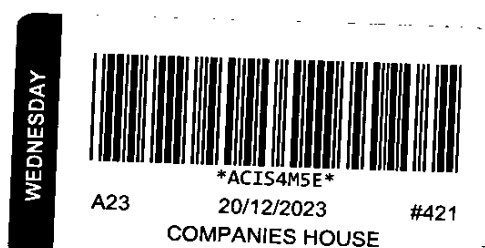


Severn Trent Overseas Holdings Limited

Annual report and financial statements for the year ended 31 March 2023

Company number: 02455508



Severn Trent Overseas Holdings Limited

Annual report and financial statements for the year ended 31 March 2023

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Severn Trent Overseas Holdings Limited

Company information

| | |
|--------------------------|---|
| Company number | 02455508 |
| Directors | R C McPheely A P Stephens H Woodall-Pagan (appointed 2 December 2022) B Kennedy (resigned 2 December 2022) |
| Secretary | G Eagle |
| Registered office | Severn Trent Centre 2 St John's Street Coventry CV1 2LZ |
| Bankers | Barclays Bank PLC 1 Churchill Place London E14 5HP |
| Solicitors | Herbert Smith Freehills LLP Exchange House Primrose Street London EC2A 2EG |

Severn Trent Overseas Holdings Limited

Strategic report

The Directors present their Strategic report for the year ended 31 March 2023.

Business review and principal activities

The Company is a wholly owned subsidiary of Severn Trent Plc.

The principal activity of the Company is to act as a holding company for certain subsidiaries of the Severn Trent Group. The Company does not trade.

There have not been any significant changes in the Company's principal activities in the year under review. The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities or prospects in the next year.

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

Results and dividends

The Company's profit for the financial year after taxation was £1,205,000 (2022: £568,000).

The Directors do not recommend the payment of a dividend (2022: nil).

Principal risks and uncertainties

Treasury management

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

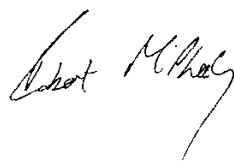
Financial position and going concern

The Directors have considered the Company's financial position at the balance sheet date and its prospects for the period to 12 months from the date of this report.

As at 31 March 2023, the Company has net assets of £107,248,000 (2022: £51,502,000) and a net current asset position of £1,520,000 (2022: £465,000).

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the report and the annual financial statements.

By order of the Board



R C McPheely
Director
15 December 2023

Severn Trent Overseas Holdings Limited

Directors' report

The directors present their annual report and the financial statements of the company for the year ended 31 March 2023.

Matters included in the Strategic report

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

- Business review and principal activities of the company
- Results and dividends
- Principal risks and uncertainties
- Financial position and going concern

Directors

The directors who served during the year and to the date of this report are shown on page 1.

Directors' indemnities

The company's Articles of Association provide that directors of the company shall be indemnified by the company against any costs incurred by them in carrying out their duties including defending any proceedings arising out of their positions as directors in which they are acquitted or judgment is given in their favour or relief from any liability is granted to them by the court. These indemnities were in force throughout the year and up to the date of signing of the financial statements.

Environment

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

Results and dividends

The directors do not recommend the payment of a dividend.

Post balance sheet events

There have been no significant post balance sheet events.

Severn Trent Overseas Holdings Limited

Directors' report (continued)

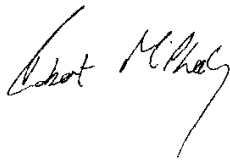
The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting standards, including Financial Reporting Standard 101 Reduced Disclosure Framework has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board



R C McPheely
Director
15 December 2023

Severn Trent Overseas Holdings Limited

Income statement

For the year ended 31 March 2023

| | Note | 2023 £'000 | 2022 £'000 |
|---|------|---------------|---------------|
| Finance income | 5 | 3,700 | 1,698 |
| Finance costs | 6 | (2,212) | (997) |
| Net finance income | | 1,488 | 701 |
| Profit on ordinary activities before tax | | 1,488 | 701 |
| Taxation on profit on ordinary activities | 7 | (283) | (133) |
| Profit for the year | | 1,205 | 568 |

All results are from continuing operations in both the current and preceding year.

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

Severn Trent Overseas Holdings Limited

Balance sheet

At 31 March 2023

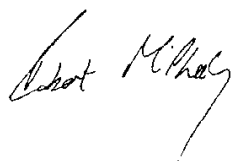
| | Note | 2023 £'000 | 2022 £'000 |
|--|------|----------------|----------------|
| Non-current assets | | | |
| Trade and other receivables | 8 | 133,471 | 133,471 |
| | | 133,471 | 133,471 |
| Current assets | | | |
| Trade and other receivables | 8 | 1,898 | 746 |
| Cash and cash equivalents | | 345 | 72 |
| | | 2,243 | 818 |
| Current liabilities | | | |
| Trade and other payables | 9 | (307) | (115) |
| Current tax payable | | (416) | (238) |
| | | (723) | (353) |
| Net current assets | | 1,520 | 465 |
| Total assets less current liabilities | | 134,991 | 133,936 |
| Non-current liabilities | | | |
| Borrowings | 10 | (27,743) | (82,434) |
| Net assets | | 107,248 | 51,502 |
| Equity | | | |
| Called up share capital | 11 | 117,143 | 62,602 |
| Retained earnings | | (9,895) | (11,100) |
| | | 107,248 | 51,502 |

For the year ended 31 March 2023, the company was entitled to exemption from audit under section 479A of the Companies Act 2006 (the "Act") relating to subsidiary companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements were approved by the board of directors on 15 December 2023. They were signed on its behalf by:



R C McPheely
Director
15 December 2023
Company Number: 02455508

Severn Trent Overseas Holdings Limited

Statement of changes in equity

For the year ended 31 March 2023

| | Share capital £'000 | Retained earnings £'000 | Total £'000 |
|---|---------------------------|-------------------------------|----------------|
| At 1 April 2021 | 62,602 | (11,668) | 50,934 |
| Total comprehensive income for the year | – | 568 | 568 |
| At 31 March 2022 | 62,602 | (11,100) | 51,502 |
| Total comprehensive income for the year | – | 1,205 | 1,205 |
| Share issue | 54,541 | – | 54,541 |
| At 31 March 2023 | 117,143 | (9,895) | 107,248 |

Severn Trent Overseas Holdings Limited

Notes to the financial statements

1. Accounting policies

a) Accounting convention

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

Severn Trent Overseas Holdings Limited (the Company) is a private Company limited by shares and is registered in England and Wales.

b) Basis of preparation

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

The Company meets the definition of a qualifying entity as defined in FRS 100 'Application of Financial Reporting Requirements', accordingly the Company has elected to apply FRS 101 'Reduced Disclosure Framework'. Therefore the recognition and measurement requirements of United Kingdom adopted International Financial Reporting Standards have been applied, with amendments where necessary in order to comply with Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) as these are Companies Act 2006 accounts.

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

Where required, equivalent disclosures are given in the group financial statements of Severn Trent Plc. The group financial statements of Severn Trent Plc are available to the public and can be obtained as set out in note 15.

c) Taxation

Current tax payable is based on taxable profit for the year and is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on taxable temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred taxation is measured on a non-discounted basis using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Current and deferred tax are recognised in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

A deferred tax asset is only recognised to the extent it is probable that sufficient taxable profits will be available in the future to utilise it.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities.

Severn Trent Overseas Holdings Limited

Notes to the financial statements (continued)

1. Accounting policies (continued)

d) Borrowings

Borrowings are initially recognised at fair value less issue costs. After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest rate method whereby interest and issue costs are charged to the income statement and added to the carrying value of borrowings at a constant rate in proportion to the capital amount outstanding.

e) Finance income and costs

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

2. Critical accounting judgments and key sources of estimation uncertainty

In the process of applying the Company's accounting policies, the Company made no critical accounting judgments and there are no key sources of estimation uncertainty.

3. Employee numbers

The average monthly number of employees (including executive directors) during the year was nil (2022: nil).

4. Directors' remuneration

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

5. Finance income

| | 2023 £000 | 2022 £000 |
|-------------------------------------|--------------|--------------|
| Interest income earned on: | | |
| Amounts due from group undertakings | 3,700 | 1,698 |
| Total interest income | 3,700 | 1,698 |

6. Finance costs

| | 2023 £000 | 2022 £000 |
|---|--------------|--------------|
| Interest expense charged on: | | |
| - amounts payable to group undertakings | 2,212 | 997 |
| | 2,212 | 997 |

7. Taxation

a) Analysis of tax charge in the year

| | 2023 £'000 | 2022 £'000 |
|---------------------------------|---------------|---------------|
| Current tax | | |
| Current year at 19% (2022: 19%) | 283 | 133 |
| Total current tax | 283 | 133 |

Severn Trent Overseas Holdings Limited

Notes to the financial statements (continued)

7. Taxation (continued)

b) Factors affecting the tax charge in the year

The tax assessed for the current year is equal to (2022: equal to) the standard rate of corporation tax in the UK of 19% (2022: 19%):

| | 2023 | 2022 |
|---|--------------|------------|
| | £'000 | £'000 |
| Profit on ordinary activities before taxation | 1,488 | 701 |
| Tax at the standard rate of corporation tax in the UK 19% (2022: 19%) | 283 | 133 |
| Total tax charge for the year | 283 | 133 |

8. Trade and other receivables

| | 2023 | 2022 |
|---|----------------|----------------|
| | £'000 | £'000 |
| Current assets | | |
| Amounts receivable from group undertakings | 1,898 | 746 |
| Non-current assets | | |
| Amounts receivable from other fellow group undertakings under loan agreements | 133,471 | 133,471 |
| | 135,369 | 134,217 |

The Company has a facility of £50,000,000 available to Severn Trent Holdings Limited. The loan is unsecured with interest payable at the Bank of England base rate + 1.375% and matures on 31 January 2025.

The Company has a facility of £120,000,000 with Severn Trent Investment Holdings Limited. The loan is unsecured with interest payable at the Bank of England base rate plus a margin of 1.375% and matures on 9 October 2025.

9. Trade and other payables

| | 2023 | 2022 |
|---|------------|------------|
| | £'000 | £'000 |
| Current liabilities | | |
| Amounts owed to other group undertakings | 218 | 80 |
| Amounts owed to immediate parent undertakings | 89 | 35 |
| | 307 | 115 |

Severn Trent Overseas Holdings Limited

Notes to the financial statements (continued)

10. Borrowings

| | 2023 £'000 | 2022 £'000 |
|--|---------------|---------------|
| Non-current | | |
| Loans due to other fellow group undertakings | 27,743 | 27,974 |
| Loans due to immediate parent undertakings | – | 54,460 |
| | 27,743 | 82,434 |

The Company has a facility of £35,000,000 available from Severn Trent Plc. The loan is unsecured with interest payable at the Bank of England base rate + 1.375% and matures on 31 January 2025.

On 31 March 2023, the Company's immediate parent company, Severn Trent Carsington Limited, subscribed for 54,541,000 shares of £1 each in exchange for cancellation of its loan to the Company of £54,541,000.

11. Share capital

| | 2023 £'000 | 2022 £'000 |
|---|----------------|---------------|
| Total issued and fully paid share capital | | |
| 117,143,000 ordinary shares at £1 each (2022: 62,602,000) | 117,143 | 62,602 |

On 31 March 2023, the Company's immediate parent company, Severn Trent Carsington Limited, subscribed for 54,541,000 shares of £1 each in exchange for cancellation of its loan to the Company of £54,541,000.

12. Contingent liabilities

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

At 31 March 2023 the Company's maximum exposure under these arrangements was £345,000 (2022 £72,000).

13. Post balance sheet events

There have been no significant post balance sheet events.

14. Related party transactions

There have been no transactions with the directors of the Company during the last financial year.

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

15. Ultimate parent undertaking

The immediate parent undertaking is Severn Trent Carsington Limited.

The ultimate parent undertaking and controlling party is Severn Trent Plc, which is the parent undertaking and controlling party of the smallest and largest group to consolidate these financial statements. Copies of the Severn Trent Plc consolidated financial statements can be obtained from Severn Trent Plc's registrars at Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. The registered office of the ultimate parent is Severn Trent Centre, 2 St John's Street, Coventry, United Kingdom, CV1 2LZ.