

Glandwr Cyfyngedig

Annual report and financial statements

Registered number 4154570

Year ended 31 March 2018

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Directors

E M Barber (appointed 15 December 2017)
C Forrest (resigned 15 December 2017)
A W M White

Company secretary

A W M White

Independent auditor

Deloitte LLP
Statutory Auditor
1 City Square
Leeds
LS1 2AL

Registered office

Western House
Halifax Road
Bradford
West Yorkshire
BD6 2SZ

Bankers

National Westminster Bank PLC
Leeds City Office
8 Park Row
Leeds
LS1 5HD

Directors' report

The directors present their annual report and audited financial statements of the company for the year ended 31 March 2018.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Principal activities and review of business developments

The principal activity of the company is that of a holding company within Kelda Holdings Limited group. Its subsidiaries' activities in the U.S. were discontinued in December 2014. The U.S. entities were dissolved in December 2015 and in accordance with legal requirements a cash reserve is held by the company for the benefit of creditors of the dissolved companies in the unlikely event of any future claims.

In the prior year, a provision was created in accordance with legal requirements of the dissolved indirect subsidiary undertaking, KGI Bridgeport Company. The provision at 31 March 2018 of £110,522 is held for the benefit of creditors of the dissolved company against future claims.

Results and dividends

The loss for the financial year is £90 (2017: £100).

The directors are unable to recommend the payment of a dividend (2017: £nil)

Principal risks and uncertainties

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

Key performance indicators

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

Risks and sensitivities

There are no risks and sensitivities associated with the ending of its previously owned operating and maintenance contract.

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of its ultimate parent company Kelda Holdings Limited, despite being in net liabilities and loss making. The directors have received confirmation that Kelda Holdings Limited intend to support the company for at least one year after these financial statements are signed.

Directors

The directors who served during the year and up to the date of signing the financial statements are as follows:

E M Barber (appointed 15 December 2017)

A W M White

C Forrest (resigned 15 December 2017)

Disclosure of information to independent auditor

As at the date of this report, as far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware and the directors have taken all the steps that they ought to have as directors, in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of this information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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 auditor

The auditor, Deloitte LLP, has indicated their willingness to continue in office and the Board has passed a resolution confirming their reappointment.

Directors' report *(continued)*

Directors' responsibilities statement

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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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; 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.

On behalf of the board



E M Barber
Director

Western House
Halifax Road
Bradford
BD6 2SZ

2 August 2018

Independent auditor's report to the members of Glandwr Cyfyngedig

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Glandwr Cyfyngedig (the "company") which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 9

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

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 ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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.

Independent auditor's report to the members of Glandwr Cyfyngedig (continued)

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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. This description forms part of our auditor's report.

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.

Independent auditor's report to the members of Glandwr Cyfyngedig (continued)

Report on other legal and regulatory requirements

Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.



Louise Cooper ACA, FCA (*Senior statutory auditor*)
For and on behalf of Deloitte LLP
Statutory Auditor
Leeds

2 August 2018

Profit and Loss Account
for the year ended 31 March 2018

		2018 £	2017 £
Administrative expenses		(90)	(110,522)
Amounts written off investments		-	(100)
Operating loss	3	(90)	(110,622)
Investment income		-	110,522
Loss on ordinary activities before taxation		(90)	(100)
Taxation	6	-	-
Loss for the financial year		(90)	(100)

There are no other items of comprehensive income or expenses in the current or prior year, therefore no separate statement of comprehensive income has been presented.

Balance Sheet
as at 31 March 2018

	<i>Note</i>	2018 £	2017 £
Current assets			
Cash at bank		110,432	110,522
Total assets		110,432	110,522
Creditors: amounts falling due after more than one year			
Provisions	7	(110,522)	(110,522)
Net liabilities		(90)	-
Capital and reserves			
Called up share capital	8	100	100
Profit and loss account	8	(190)	(100)
Shareholders' deficit		(90)	-

The financial statements on pages 7 to 13 were approved by the board of directors on 2 August 2018 and were signed on its behalf by:



E M Barber
Director

Company registered number: 4154570

Statement of Changes in Equity

for the year ended 31 March 2018

	Called up share capital £	Profit and loss account £	Total shareholders' funds £
Balance at 1 April 2017	100	(100)	-
Loss for the financial year	-	(90)	(90)
Total comprehensive loss for the year	-	(90)	(90)
Balance at 31 March 2018	100	(190)	(90)

	Called up Share capital £	Profit and loss account £	Total shareholders' funds £
Balance at 1 April 2016	100	-	100
Loss for the financial year	-	(100)	(100)
Total comprehensive loss for the year	-	(100)	(100)
Balance at 31 March 2017	100	(100)	-

Notes to the financial statements

1. Accounting policies

Glandwr Cyfyngedig (the "company") is a private company limited by shares and incorporated and resident for tax in the UK.

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.

Kelda Holdings Limited includes the company in its consolidated financial statements. The consolidated financial statements of Kelda Holdings 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;
- Key management personnel compensation; and
- Transactions between wholly-owned subsidiaries, or with their parent.

As the consolidated financial statements of Kelda Holdings 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.

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of its ultimate parent company Kelda Holdings Limited, despite being in net liabilities and loss making. The directors have received confirmation that Kelda Holdings Limited intend to support the company for at least one year after these financial statements are signed.

Basic financial instruments

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Notes to the financial statements (continued)

1 Accounting policies (continued)

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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. Provisions are discounted to present value where the effect is material.

2 Accounting estimates and judgements

The preparation of financial statements with FRS 102 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 were no such areas of judgement or estimation uncertainty deemed significant in these financial statements.

3 Operating loss

Auditor's remuneration in the year was £276 (2017: £327) and was borne by the immediate parent undertaking, Kelda Group Limited.

4 Staff numbers and costs

The monthly average number of persons employed by the company during the year was nil (2017: nil).

5 Directors' remuneration

All the directors are employees, or directors, of other group undertakings and are remunerated by the relevant undertaking and received no emoluments in respect of their services to the company (2017: £nil).

Notes to the financial statements *(continued)*

6. Taxation

Total tax expense recognised in the profit and loss account

	2018 £	2017 £
<i>Current tax</i>		
Current tax expense on income for the year	-	-
Tax on loss on ordinary activities	-	-

The corporation tax rate of 19%, enacted in the Finance Act (No 2) Act 2015 and applicable from 1 April 2017, has been used in preparing these financial statements.

The Finance Act 2016 will reduce the corporation tax rate further to 17% from 1 April 2020. This reduction was substantively enacted on 6 September 2016.

Reconciliation of effective tax rate

	2018 £	2017 £
Loss for the financial year	(90)	(100)
Loss for the financial year excluding taxation	(90)	(100)
Tax using the UK corporation tax rate of 19% (2017: 19.25%)	(17)	(19)
Effects of Group relief	17	19
Total tax expense	-	-

7. Provisions

	£
Balance at 1 April 2017 and 31 March 2018	110,522

The provision was set up in the year ended 31 March 2017 in accordance with legal requirements of the dissolved indirect subsidiary undertaking, KGI Bridgeport Company. It is held for the benefit of creditors of the dissolved company against potential future claims.

Notes to the financial statements *(continued)*

8. Capital and reserves

Called up share capital	2018	2017
	£	£
<i>Allotted, called up and fully paid</i>		
100 ordinary shares of £1 each	100	100

	Authorised 2018 £	Allotted, called up and fully paid 2018 £	Authorised 2017 £	Allotted, called up and fully paid 2017 £
Ordinary shares of £1 each	1,000	100	1,000	100

The profit and loss account represents cumulative profits or losses, net of dividends paid.

9. Parent companies, controlling parties and the larger group

The company's immediate parent undertaking is Kelda Group Limited. The ultimate parent company and controlling party is Kelda Holdings Limited, incorporated in Jersey and resident for tax in the UK.

The largest group in which the results of the company are consolidated and made publicly available is that headed by Kelda Holdings Limited. The smallest group in which they are consolidated and made publicly available is that headed by Kelda Eurobond Co 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.