

CH

# **Reiver Holdings Limited**

**Registered No: 04872994**

## **Annual Report and Financial Statements**

for the year ended 31 March 2018

THURSDAY



A24 \*A7GUFR75\* #55  
18/10/2018  
COMPANIES HOUSE

# Annual Report and Financial Statements

for the year ended 31 March 2018

## Contents

	<i>Page</i>
Company information	3
Strategic report	4
Director's report	5
Director's responsibilities statement	7
Independent auditor's report	8
Income statement	11
Statement of comprehensive income	11
Balance sheet	12
Statement of changes in equity	13
Notes to the Financial Statements	14

## **Company information**

Registered No: 04872994

### **Director**

C I Johns

### **Company Secretary**

M Parker

### **Auditor**

Deloitte LLP  
Statutory Auditor  
One Trinity Gardens  
Broad Chare  
Newcastle Upon Tyne  
United Kingdom  
NE1 2HF

### **Banker**

Deutsche Bank  
6 Bishopsgate  
London  
EC2P 2AT

### **Registered Office**

Northumbria House  
Abbey Road  
Pity Me  
Durham  
DH1 5FJ

## Strategic report

The Director of Reiver Holdings Limited (RHL or the Company) is pleased to present his Strategic Report for the year ended 31 March 2018.

### Principal activity and review of the business

RHL is incorporated and domiciled in the UK. The Company's principal activity during the year continued to be to act as a holding company for Reiver Finance Limited (RFL), a special purpose financing vehicle in respect of the securitisation of revenue receivable from the Environment Agency (EA) under the Water Resources Operating Agreement (WROA) relating to Kielder Reservoir. The Company's immediate parent company is Northumbrian Water Limited (NWL).

### Results and dividends

The profit for the year, after taxation, amounted to £3 (2017: £3). The financial position remains in line with the Director's expectations. The Director does not recommend the payment of a final dividend (2017: £nil). The Director does not consider the setting of KPIs to be relevant to the Company's operations as a holding company.

### Risks arising from the Company's financial instruments

The main risk arising from the Company's financial instruments is interest rate risk.

The Company's financing strategy is developed in accordance with the treasury policies of Northumbrian Water Group Limited (NWGL or the Group), whose board reviews and agrees policies for managing each of these risks. These are summarised below and the treasury activities of the Company are conducted in accordance with these policies.

#### Interest rate risk

The Company receives interest on its bank deposits at floating rates of interest, the interest rate risk is not deemed significant enough to undertake any hedging activity. On the basis of the Company's analysis, it is estimated that a 1% rise in interest rates would not have a material effect.

#### Liquidity risk

The Company is responsible for cash management and has no significant cash outflows.

#### Foreign currency risk

NWGL's policy is that any foreign currency exposure in excess of £100,000 sterling equivalent of a transactional nature, or £3,000,000 sterling equivalent of a translation nature, should be covered immediately on recognition. At 31 March 2018, the Company had no currency exposures (2017: nil) and does not anticipate any foreign currency exposures in the future.

Approved by the Board and signed



M Parker  
Company Secretary  
19 September 2018

## Director's report

The Director is pleased to present the Annual Report and audited Financial Statements for the year ended 31 March 2018.

### Director

The only director to have served during the year and up to the date of signing is C I Johns.

### Results and dividends

Information on results and dividends is contained in the Strategic report.

### Going concern

The Director confirms that in his opinion, the Company has sufficient resources to continue in operational existence for the foreseeable future. In arriving at his decision the Director has taken account of the positive net assets of the Company and the future expected cash flows.

Accordingly the Director continues to adopt the going concern basis in preparing the Annual Report and Financial Statements.

### Future developments

The Director has no plans to expand the existing operations of the Company.

### Treasury operations

The Company's board is responsible for the financing strategy of the Company, which is determined within treasury policies set by NWGL. The aim of this strategy is to assess the ongoing capital requirement of the Company and to raise funding on a timely basis, taking advantage of any favourable market opportunities.

The Treasury department of NWGL carries out treasury operations on behalf of the Company. Surplus funds are invested based upon forecast requirements, in accordance with the treasury policy. On occasion, derivatives are used as part of this process, but the treasury policies prohibit their use for speculation.

### Financial instruments

The Company's policy in relation to the use of financial instruments is set out in the Strategic Report.

### Political donations

There have been no political donations during the current or prior years.

### Director's declaration

As required under Section 418 of the Companies Act 2006, as far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Indemnification of directors

NWGL had Directors' and Officers' insurance in place for the year ended 31 March 2018. On 21 March 2017 NWGL entered into a deed of indemnity to grant the Directors of NWGL and its subsidiaries further protection against liability to third parties, subject to the conditions set out in the Companies Act 2006, and this remains in place.

## Director's report (continued)

### Auditor

Pursuant to s487 of the Companies Act 2006, Deloitte LLP is deemed to be re-appointed as the Company's auditor for the ensuing year.

Approved by the Board and signed



M Parker  
Company Secretary  
19 September 2018

## **Director's responsibilities statement**

The Director is responsible for preparing the Annual Report and the Financial Statements in accordance with applicable United Kingdom law and regulations.

Company law requires the Director to prepare Financial Statements for each financial period. Under that law the Director has elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 101 'Reduced Disclosure Framework'. Under company law the Director must not approve the Financial Statements unless he is 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 Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Director is 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 to enable them to ensure that the Financial Statements comply with the Companies Act 2006. He is 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 auditor's report to the members of Reiver Holdings Limited**

### ***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 profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Reiver Holdings Limited (the 'Company') which comprise:

- the income statement;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (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 Director's use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the Director has 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 Reiver Holdings Limited (continued)**

#### ***Other information***

The Director is 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 the Director***

As explained more fully in the Director's responsibilities statement, the Director is 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 Director determines 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 Director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

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

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

#### ***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 Reiver Holdings Limited (continued)**

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

#### ***Opinions on other matters 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 Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's report has been prepared in accordance with applicable legal requirements.

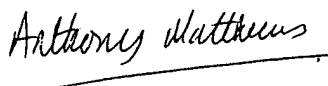
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Director's report.

#### ***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 was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Director's report and from the requirement to prepare a Strategic report.

We have nothing to report in respect of these matters.



Anthony Matthews FCA (Senior statutory auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
Newcastle Upon Tyne, United Kingdom  
19 September 2018

## Income Statement

for the year ended 31 March 2018

		2018	2017
	Notes	£	£
<b>Continuing operations</b>			
Finance income	4	3	3
<b><i>Profit before taxation</i></b>		<b>3</b>	<b>3</b>
Taxation	5	-	-
<b><i>Profit for the year attributable to the shareholder of the Company</i></b>		<b>3</b>	<b>3</b>

## Statement of comprehensive income

for the year ended 31 March 2018

There was no other comprehensive income attributable to the shareholder of the Company other than the profit of £3 for the year ended 31 March 2018 and the profit of £3 for the year ended 31 March 2017.

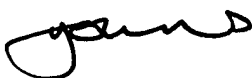
## Balance sheet

as at 31 March 2018

(Registered No: 04872994)

	Notes	<u>2018</u> £	<u>2017</u> £
<b>Non-current assets</b>			
Financial investments	6	<u>1</u> 1	<u>1</u> 1
<b>Current assets</b>			
Cash at bank and in hand		<u>12,362</u> 12,362	<u>12,359</u> 12,359
<b>Total assets</b>		<u>12,363</u>	<u>12,360</u>
<b>Current liabilities</b>			
Trade and other payables	7	<u>(1)</u> (1)	<u>(1)</u> (1)
<b>Total liabilities</b>		<u>(1)</u>	<u>(1)</u>
<b>Net assets</b>		<u>12,362</u>	<u>12,359</u>
<b>Capital and reserves</b>			
Share capital	8	10,000	10,000
Profit and loss account		<u>2,362</u>	<u>2,359</u>
<b>Equity attributable to the shareholder of the Company</b>		<u>12,362</u>	<u>12,359</u>

Approved by the Director on 19 September 2018 and signed



C I Johns

## Statement of changes in equity

for the year ended 31 March 2018

	<i>Share capital</i>	<i>Retained earnings</i>	<i>Total</i>
	£	£	£
At 1 April 2016	10,000	2,356	12,356
Profit for the year and total comprehensive income	-	3	3
At 31 March 2017	10,000	2,359	12,359
Profit for the year and total comprehensive income	-	3	3
At 31 March 2018	10,000	2,362	12,362

## Notes to the Financial Statements

for the year ended 31 March 2018

### 1. Accounting policies

#### **General information**

RHL is a company incorporated in the United Kingdom under the Companies Act 2006. The Company is a private company limited by shares and is registered in England and Wales.

The address of the Company's registered office is shown on page 3. The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 4.

These Financial Statements are presented in sterling to the nearest £1.

#### **Consolidation**

The Company is a wholly owned subsidiary, whose intermediate parent undertaking is NWGL, a company which produces publicly available consolidated Financial Statements in which the Company is included. Consequently the Company is exempt under the terms of section 400 of the Companies Act 2006 from preparing consolidated Financial Statements. These Financial Statements therefore present information about the Company as an individual undertaking and not about its group.

#### **Basis of accounting**

The Company is a qualifying entity for the reduced disclosure framework under FRS 101. These Financial Statements have been prepared in accordance with FRS 101, incorporating the Amendments to FRS 101 issued by the FRC in July 2015 and the amendments to company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 prior to their mandatory effective date of accounting periods beginning on or after 1 January 2016.

The Financial Statements have been prepared under the historical cost convention.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to presentation of a cash flow statement, standards not yet effective, related party transactions, financial instruments and capital management.

No new International Financial Reporting Standards (IFRSs) came into effect in the year which had a material impact on the Company.

The principal accounting policies adopted are set out below.

#### **Amendments to IFRSs in issue but not yet effective**

At the balance sheet date, the following significant new accounting standards were in issue but not yet effective:

- IFRS 9 - Financial Instruments (effective for periods beginning on or after 1 January 2018);
- IFRS 15 - Revenue from Contracts with Customers (effective for periods beginning on or after 1 January 2018); and
- IFRS 16 - Leases (effective for periods beginning on or after 1 January 2019).

A description of these standards, and their expected impact, is set out in the Annual Report and Financial Statements of NWL. The Directors do not anticipate that adoption of the new standards will have a material impact on the Company in the period of initial application

## Notes to the Financial Statements

for the year ended 31 March 2018

### 1. Accounting policies (continued)

#### *Going concern*

The Director continues to adopt the going concern basis in preparing the Financial Statements. Further information is included in the Director's Report.

#### *Finance income*

Finance income relates to interest receivable on bank deposits (note 4) and is taken to the income statement upon receipt.

#### *Taxation*

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

#### *Fixed asset investments*

Fixed asset investments are shown at cost less any provision for impairment in value.

#### *Critical accounting judgements and key sources of estimation uncertainty*

In the process of applying the accounting policies, the Company is required to make certain judgements, estimates and assumptions that it believes are reasonable based on the information available. The Director considers that there are no significant judgements or estimates applied at the balance sheet date, which may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### 2. Auditor's remuneration

Auditor's remuneration of £1,538 (2017: £1,500) for the audit of the annual Financial Statements was borne by RFL, and is not repayable.

### 3. Staff costs

Excluding the Director, there were no employees during the year (2017: nil). The Director did not receive any remuneration in respect of his services to the Company.

The Director of the Company is remunerated by NWL and NWGL, and, as his services to RHL are incidental to the services provided to NWL and NWGL, receives no remuneration in respect of qualifying services to RHL.

### 4. Finance income

Finance income of £3 (2017: £3) relates entirely to interest received on bank deposits.

## Notes to the Financial Statements

for the year ended 31 March 2018

### 5. Taxation

(a) Tax in the income statement	2018	2017
	£	£
<i>Current tax</i>		
Adjustments in respect of prior years:		
- Group relief	1	1
- Funding receivable from RFL	(1)	(1)
Total current tax	-	-
	2018	2017
(b) Reconciliation of the tax charge	£	£
Profit before tax	3	3
Profit before tax multiplied by the rate of UK corporation tax of 19% (2017: 20%)	1	1
Effects at 19% (2017: 20%) of:		
- Expenses not deductible for tax purposes	(1)	(1)
- Adjustments in respect of prior years	1	1
- Tax funding receivable for prior years	(1)	(1)
Total tax charge	-	-

Under arrangements with RFL, the Company receives a contribution to fund its tax liabilities.

#### (c) Factors that may affect future tax charges

The rate of UK corporation tax for the year was 19%. Finance Act 2016 provides that this will be reduced to 17% with effect from 1 April 2020.



## Notes to the Financial Statements

for the year ended 31 March 2018

### 6. Financial investments

£

At 1 April 2017 and 31 March 2018

1

The Company owns 100% of the £1 Ordinary Share capital of RFL, a company incorporated in England and Wales, whose principal activity is to act as a sole special purpose financing vehicle in respect of the securitisation of revenue receivable from the EA under the WROA relating to Kielder Reservoir.

RFL has the same registered office as the Company.

### 7. Trade and other payables

	<u>2018</u>	<u>2017</u>
	£	£
Amounts owed to other group companies	<u>1</u>	<u>1</u>

### 8. Share capital

	<u>2018</u>	<u>2017</u>
	£	£
<i>Authorised</i>		
10,000 ordinary shares of £1 each (2017: 10,000)	<u>10,000</u>	<u>10,000</u>
<i>Allotted, called up and fully paid</i>		
10,000 ordinary shares of £1 each (2017: 10,000)	<u>10,000</u>	<u>10,000</u>

### 9. Contingent liability

As part of the securitisation of revenue receivable from the EA under the WROA, there is a charge over the Company's cash and investment in RFL totalling £12,362 (2017: £12,360).

### 10. Related parties

The Company is an indirectly wholly owned subsidiary of NWGL, whose publicly available consolidated Financial Statements include the Company. Accordingly, the Company is exempt under the terms of FRS 101 from disclosing transactions with other members of the Group headed by NWGL.

## Notes to the Financial Statements

for the year ended 31 March 2018

### 11. Parent undertaking and controlling party

The Company's immediate parent undertaking is NWL.

In the Director's opinion, the Company's ultimate parent undertaking and controlling party is CK Hutchison Holdings Limited (CKHH), a company listed on the Hong Kong Stock Exchange. This is the parent undertaking of the largest and smallest group of undertakings for which group Financial Statements are drawn up and of which the reporting Company is a member. Copies of CKHH's group Financial Statements, which include the Company, are available from <http://www.ckh.com.hk/en/ir/annual.php>. CKHH's registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and is incorporated in the Cayman Islands with limited liability.

The parent undertaking of the smallest group of undertakings for which group Financial Statements are drawn up, and of which the reporting Company is a member, is NWGL, which is incorporated in England and Wales. Copies of NWGL's group Financial Statements are available from Northumbria House, Abbey Road, Pity Me, Durham DH1 5FJ.