

SSE Water Limited

Directors report and financial statements

Year ended 31 March 2016

Registered No.: 06021063

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SSE Water Limited

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SSE Water Limited

Directors and Other Information

Directors

Gregor Alexander
Nathan Sanders
James McPhillimy

Registered office

55 Vastern Road
Reading
Berkshire
RG1 8BU

Secretary

Peter Lawns

Auditor

KPMG LLP
Chartered Accountants
191 West George Street
Glasgow
G2 2LJ

Registered number

06021063

SSE Water Limited

Directors' Report

The directors present their report together with the audited financial statements for the year ended 31 March 2016.

The directors have also taken advantage of the exemption from preparing a Strategic report available under section 414b of Companies Act 2006.

1 Principal activities

The Company is a wholly owned subsidiary of SSE plc and part of the SSE Group (the 'Group').

The Company's principal activity during the year was the provision of water and sewerage services including the installation and operation of water network infrastructure within defined geographical areas.

2 Business Review

Through the Company, SSE is able to install, own and operate water and sewerage services alongside its existing electricity and gas services. The Company offers water and sewerage services in England and Wales. An 'inset' appointment, otherwise known as a New Appointment or Variation (NAV) is the route by which one company replaces another as the appointed water and / or sewerage company for a specified area. The Company now has 26 such appointments and provides, or has secured contracts to provide, water and sewerage services to approximately 32,362 properties in England and Wales.

The Group is already experienced in designing, installing and operating multi-utility infrastructures. This activity is controlled and operated through the related company SSE Utility Solutions Limited. The Company operates in conjunction with SSE Enterprise via Utility Solutions and the Group's existing electricity and gas services to provide a comprehensive multi-utility solution to customers in the property development and house-building sectors.

Construction work has begun, is on-going or has been completed at 24 developments during the course of the year, with customer occupations on all 24. Once the water and sewerage infrastructure is completed, the Company owns and operates the networks, having the same responsibilities as any other water company. By the end of March 2016, 11,603 domestic & commercial connections had been made, representing an estimated residential population of 26,457.

During 2016/17 the Company is actively seeking new business, in particular high density developments representing lower capital costs per customer.

The principal risks and uncertainties concern securing future NAVs, the development of the market to better promote competition and maintaining the quality of service delivery. The Water Act 2014 brings with it a substantial change, providing for competition in the complete non-household market for the first time in England, from April 2017. The Company is acting to ensure compliance with the new rules and to explore opportunities and risks.

3 Proposed dividend

The directors do not recommend the payment of a dividend (2015: *Nil*).

4 Results and dividends

The loss for the financial year amounted to £0.3m (2015: £0.5m).

The balance sheet at 31 March 2016 is set out on page 9 and indicates net liabilities of £3.6m (2015: *net liabilities of £3.3m*).

SSE Water Limited

Directors' Report *(continued)*

5 Directors

The directors and secretary who served during the year are as listed on page 3. In accordance with the Articles of Association of the company the directors are not required to retire by rotation.

6 Employment policies

Staff are actively encouraged to be involved in Company affairs in a wide variety of ways. These include monthly team meetings, briefing documents and internal videos. Policies on such matters as Equal Opportunities and Health and Safety are regularly communicated to staff and involvement is supported through local committees. New staff joining the Company receive induction training.

It is Company policy, where possible, to provide employment opportunities for disabled people. Staff who become disabled are supported in continuing employment through identification of suitable jobs and the provision of necessary retraining.

7 Directors' and secretary's interests

The company did not make any political or charitable donations during the year (2015: *Nil*).

8 Disclosure of information to 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.

9 Auditor

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

On behalf of the Board:



Gregor Alexander
Director
14 July 2016

SSE Water Limited

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including FRS101 Reduced Disclosures Framework.

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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

On behalf of the Board:



Gregor Alexander
Director
14 July 2016

Independent Auditor's Report to the Members of SSE Water Limited

We have audited the financial statements of SSE Water Limited for the year ended 31 March 2016 as set out on pages 8 to 19. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS101 Reduced Disclosure Framework.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion 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 loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies exemption from the requirements to prepare a strategic report.



William Meredith (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
191 West George Street
Glasgow
G2 2LJ
14 July 2016

SSE Water Limited

Profit and Loss Account for the year ended 31 March 2016

	Note	2016 £000	2015 £000
Turnover		4,337	2,704
Cost of sales		(2,634)	(1,809)
Gross profit		1,703	(895)
Distribution costs		(1,320)	(847)
Administrative costs	2	(335)	(240)
Operating profit/(loss)	2	48	(192)
Interest payable and similar charges	4	(332)	(285)
Loss on ordinary activities before taxation		(284)	(477)
Tax on loss on ordinary activities	5	12	4
Loss for the financial year		(272)	(473)

Continuing operations

The above results are derived from continuing activities.

The accompanying notes are an integral part of these financial statements.

Total other comprehensive income

The company had no other comprehensive income in the current or prior financial years.

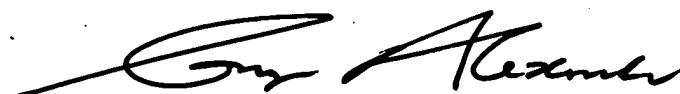
SSE Water Limited

Balance Sheet as at 31 March 2016

	Note	2016 £000	2015 £000
Fixed assets			
Tangible assets	6	9,340	7,845
Current assets			
Debtors:			
amounts falling due within one year	7	1,818	1,739
Total current assets		1,818	1,739
Current liabilities			
Creditors: amounts falling due within one year	8	(4,655)	(4,259)
Net current liabilities		(2,837)	(2,520)
Total assets less current liabilities		6,503	5,325
Creditor: amounts falling due after more than one year	9	(9,877)	(8,460)
Deferred taxation	10	(193)	(160)
Net liabilities		(3,567)	(3,295)
Capital and reserves			
Called up share capital	11	(3,567)	(3,295)
Profit and loss account			
Equity Shareholders' deficit		(3,567)	(3,295)

The accompanying notes form an integral part of this balance sheet.

These financial statements were approved by the Directors on 14 July 2016 and signed on their behalf by:



Gregor Alexander

Director

Company registered number: 06021063

SSE Water Limited

Statement of Changes in Equity as at 31 March 2016

	Share £000	Profit and capital loss account £000	Total equity £000
Balance at 1 April 2014	-	(2,822)	(2,822)
Profit for the financial year	-	(473)	(473)
Balance at 31 March 2015	-	(3,295)	(3,295)
Balance at 1 April 2015	-	(3,295)	(3,295)
Profit for the financial year	-	(272)	(272)
Balance at 31 March 2016	-	(3,567)	(3,567)

SSE Water Limited

Notes on the Financial statements for the year ended 31 March 2016

1 Significant accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with all applicable United Kingdom accounting standards. The principal accounting policies are summarised below and have been applied consistently.

In preparing these financial statements, the Company has applied the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ('Adopted IFRS'), but has made amendments, where necessary, in order to comply with the Companies Act 2006 and has set out below where advantages of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- The effect of new, but not yet effective, IFRSs;
- Disclosures in respect of the compensation of key management personnel;
- Disclosures in respect of capital management; and
- Related party disclosures.

As the consolidated financial statements of SSE plc include the equivalent disclosure, the Company has also taken advantage of the exemptions, under FRS 101, available in respect of the following disclosure:

- The disclosures required by IFRS 7.

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

Turnover

Turnover, stated net of value added tax, represents income associated with operating and maintaining a water distribution network within the UK.

Going concern

The company has net current liabilities and is dependent on ongoing financial support from a fellow group company. The financial statements have been prepared on a going concern basis which assumes adequate finance will be available for the foreseeable future. A fellow group company has given an undertaking not to demand repayment of monies advanced to the company for the foreseeable future.

SSE Water Limited

Notes on the Financial statements *(continued)* for the year ended 31 March 2016

1 Significant accounting policies *(continued)*

Taxation

The charge for taxation is based on the loss for the year and takes into account deferred taxation.

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted, or substantially enacted, by the balance sheet date.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Property, plant and equipment

The presentation of property, plant and equipment at Note 6 includes the net book value of assets under construction as a separate column in the main tabular disclosure. Assets under construction that are commissioned and enter operation in the financial year are transferred from the relevant column to the appropriate category of assets in the table. Capital additions in the year comprise additions to assets still in construction, additions to commissioned operational assets and other directly incurred capital costs.

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairments. The cost of self constructed assets includes the cost of materials, direct labour and an appropriate proportion of other directly attributable costs. Where an item of property, plant and equipment comprises major components having different useful lives, the components are accounted for as separate items of property, plant and equipment and depreciated accordingly.

(ii) Depreciation

Heritable and freehold land is not depreciated.

Depreciation is provided on tangible and intangible fixed assets to write off cost, less residual values, on a straight-line basis over their estimated operational lives. The estimated operational lives are as follows:

	Years
Network assets	40

Customer contributions

Customer contributions and capital grants are recorded as revenue upon completion of the associated service obligation.

Accrued Income

Revenue earned but not yet invoiced has been recorded for the first time in the current financial year representing a change to previous accounting policy following a review by company management to more accurately represent the revenue earned in the period.

SSE Water Limited

Notes on the Financial statements *(continued)* for the year ended 31 March 2016

2 Expenses and auditor's remuneration

Operating profit/(loss) is arrived at after charging/(crediting):

	2016 £000	2015 £000
Depreciation of tangible fixed assets	795	514
Net management fees in respect of services provided by group companies	59	55

	2016 £000	2015 £000
Audit of these financial statements	1	1
<i>Amounts receivable by the company's auditor and its associates in respect of:</i>		
Audit related assurance services	1	1
The audit fee in the year and the previous year was borne by the Parent company.		

3 Staff costs and numbers

No staff are directly employed by the Company. A monthly charge for the work done on behalf of SSE Water Limited is made by SSE Utility Solutions to the Company.

All directors of the company were remunerated via another group company during the year (2015: £nil).

4 Interest payable and similar charges

	2016 £000	2015 £000
Interest payable to group companies	332	285

SSE Water Limited

Notes on the Financial statements *(continued)* for the year ended 31 March 2016

5 Taxation

	2016 £000	2015 £000
UK corporation tax		
Current tax on income for the period	(45)	(87)
Adjustment in respect of prior periods	-	38
Total current tax credit	(45)	(49)
Deferred tax (see note 10):		
Origination and reversal of temporary differences	53	47
Change in applicable tax rate	(20)	-
Adjustment in respect of prior periods	-	(2)
Total deferred tax	33	45
Total tax on loss on ordinary activities	(12)	(4)

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2016 £000	2015 £000
Loss before taxation	(284)	(477)
Tax on loss on ordinary activities at standard UK corporation tax rate of 20% (2015: 21%)	(57)	(100)
Effects of:		
Transfer pricing adjustment	66	60
Adjustment in respect of previous periods	-	38
Other items	(21)	(2)
Total tax credit for year	(12)	(4)

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 March 2016 has been calculated based on these rates.

SSE Water Limited

Notes on the Financial statements *(continued)* for the year ended 31 March 2016

6 Tangible fixed assets

	Assets under the course of construction (AUC) £000	Network Assets £000	Total £000
Cost:			
At 1 April 2015	758	7,890	8,648
Additions	2,290	-	2,290
Transfers	(1,839)	1,839	-
At 31 March 2016	1,209	9,729	10,938
Accumulated depreciation:			
At 1 April 2015	-	803	803
Charge for the year	-	795	795
At 31 March 2016	-	1,598	1,598
Net book value:			
At 31 March 2016	1,209	8,131	9,340
At 31 March 2015	758	7,087	7,845

7 Debtors

	2016 £000	2015 £000
Amounts falling due within one year:		
Trade debtors	509	1,219
Prepayments and accrued income	1,074	-
Amounts owed by group undertakings (unsecured, interest free and receivable on demand)	110	335
Corporation tax - group relief receivable	43	87
Other debtors	82	98
	1,818	1,739

8 Creditors: amounts falling due within one year

	2016 £000	2015 £000
Trade creditors	2,146	2,402
Amounts owed to group undertakings	778	410
Accruals and deferred income	1,731	1,447
	4,655	4,259

SSE Water Limited

Notes on the Financial statements *(continued)*

for the year ended 31 March 2016

9 Creditors: amounts falling due after more than one year

	2016 £000	2015 £000
Amounts owed to group undertakings	7,000	5,445
Accruals and other deferred income	2,877	3,015
	<u>9,877</u>	<u>8,460</u>

10 Deferred taxation

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2016 £000	2015 £000	2016 £000	2015 £000	2016 £000	2015 £000
Tangible fixed assets	-	-	(193)	(160)	(193)	(160)
Net tax liabilities	-	-	(193)	(160)	(193)	(160)

Movement in deferred tax during the year

	1 April 2015 £000	Recognised in income £000	Recognised in equity £000	31 March 2016 £000
Tangible fixed assets	(160)	(33)	-	(193)
	<u>(160)</u>	<u>(33)</u>	<u>-</u>	<u>(193)</u>

Movement in deferred tax during prior year

	1 April 2014 £000	Recognised in income £000	Recognised in equity £000	31 March 2015 £000
Tangible fixed assets	(115)	(45)	-	(160)
	<u>(115)</u>	<u>(45)</u>	<u>-</u>	<u>(160)</u>

SSE Water Limited

Notes on the Financial statements *(continued)* for the year ended 31 March 2016

11 Share capital

	2016 £	2015 £
Equity:		
Allotted, called up and fully paid:		
nil ordinary shares of £nil each	1	1
	<u>1</u>	<u>1</u>

12 Ultimate parent company

The Company is a subsidiary of SSE plc, which is the ultimate parent company and is registered in Scotland. The largest and smallest Group in which the results of the Company are consolidated is that headed by SSE plc. The consolidated financial statements of the Group (which include those of the Company) are available from the Company Secretary, SSE plc, Inverlmond House, 200 Dunkeld Road, Perth, PH1 3AQ or by accessing the Company's website at www.sse.com.

13 Governance

The Company is a subsidiary of SSE plc (SSE) which is listed on the Main Market of the London Stock Exchange. SSE is subject to the 2014 version of The UK Corporate Governance Code. The Code adopts a 'comply or explain' model, which recognises that there are situations where a period of non-compliance may be appropriate, provided good governance can be achieved by other means and the reasons are explained to shareholders. During the reporting year there have been no material departures from the Code which have been detrimental to the standards of governance instilled across the SSE Group. However, between the conclusion of the SSE AGM on 23 July 2015 and 1 August 2015, a 9 day period of non-compliance occurred in respect of Code provisions A.4.1, C.3.1 and D.2.1. These departures, along with the planned changes to Committee membership to address non-compliance, were disclosed at the SSE AGM in July 2015 and occurred when succession plans were well advanced. No formal Board or Committee activity was planned to take place during this time, and a full explanation of steps taken is provided in the Nomination Committee Report set out on Page 82 of the 2016 SSE Annual Report. SSE's position in respect of Code provision C.3.7, whereby the external audit contract should be put out to tender at least every 10 years remains unchanged from last year. A detailed explanation of SSE's approach, along with the anticipated timeline for tender of the external audit contract is set out in the Audit Committee Report on page 88 of the 2016 SSE Annual Report. The 2016 SSE Annual Report is available online at www.sse.com.

14 Explanation of transition to FRS 101 from old UK GAAP

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2016 and the comparative information presented in these financial statements for the year ended 31 March 2015.

In preparing its FRS 101 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting UK GAAP. An explanation of how the transition from UK GAAP to FRS 101 has affected the Company's financial position and financial performance is set out in the following tables and the notes that accompany the tables.

SSE Water Limited

Notes on the Financial statements *(continued)* for the year ended 31 March 2016

14 Explanation of transition to FRS 101 from old UK GAAP *(continued)*

		1 April 2014			31 March 2015		
	Note	Adopted UK GAAP £000	Effect of transition to FRS 101 £000	FRS101 £000	Adopted UK GAAP £000	Effect of transition to FRS 101 £000	FRS 101 £000
Fixed assets							
Tangible assets	6	6,458	-	6,458	8,159	(314)	7,845
Current assets							
Debtors:							
amounts falling due within one year	7	973	-	973	1,739	-	1,739
Total current assets		973	-	973	1,739	-	1,739
Current liabilities							
Creditors: amounts falling due within one year	8	(7,013)	-	(7,013)	(4,259)	-	(4,259)
Net current liabilities		(6,040)	-	(6,040)	(2,520)	-	(2,520)
Total assets less current liabilities		418	-	418	5,639	(314)	5,325
Creditors: amounts falling due after more than one year	9	(3,125)	-	(3,125)	(8,774)	314	(8,460)
Deferred tax liabilities	10	(115)	-	(115)	(160)	-	(160)
Net liabilities		(2,822)	-	(2,822)	(3,295)	-	(3,295)
Capital and reserves							
Called up share capital	11	-	-	-	-	-	-
Profit and loss account		(2,822)	-	(2,822)	(3,295)	-	(3,295)
Shareholders' deficit		(2,822)	-	(2,822)	(3,295)	-	(3,295)

SSE Water Limited

Notes on the Financial statements *(continued)* for the year ended 31 March 2016

14 Explanation of transition to FRS 101 from old UK GAAP *(continued)*

		2015 Adopted UK GAAP	Effect of transition to FRS 101	FRS 101
	Note	£000	£000	£000
Turnover		2,390	314	2,704
Cost of sales		(1,809)	-	(1,809)
Gross profit		581	314	895
Distribution costs		(533)	(314)	(847)
Administrative costs	2	(240)	-	(240)
Operating loss	2	(192)	-	(192)
Interest payable and similar charges	4	(285)	-	(285)
Loss on ordinary activities before taxation		(477)	-	(477)
Tax on loss on ordinary activities	5	4	-	4
Loss for the financial year		(473)	-	(473)

FRS 101 transition resulted in one transition adjustment relating to the adoption of IFRIC 18 customer contributions by the company. The company has elected to grandfather existing policies up to the date of transition to FRS 101.

SSE Water Limited

Notes on the Financial statements *(continued)*

for the year ended 31 March 2016

15 Additional regulatory statements - unaudited

Risk and compliance statement

The Directors confirm that

- the Company considers that it has a full understanding of, and is meeting, its obligations and has taken steps to understand and meet customer expectations;
- has satisfied itself that it has sufficient processes and internal systems of control to fully meet its obligations; and
- has appropriate systems and processes in place to allow it to identify, manage and review its risks.

Statement on reliability of information

The Directors confirm that they are satisfied that the information contained in these accounts to be provided to Ofwat is, in so far as is practicable, reliable and complete.

Statement on compliance with condition K

The Directors confirm that, in their opinion, the Company was in compliance with paragraph 1 of Condition K of the licence, relating to the availability of the rights and assets of the financial year.

Statement on directors' remuneration and service standards

This statement is made in accordance with section 35A of the Water Industry Act 1991 on behalf of SSE Water Limited.

In the financial year ending March 2016 and for the financial year ending March 2017, where appropriate the main directors of SSE Water Limited are remunerated under arrangements which fall under paragraph (3) of section 35A of the Act, i.e. the arrangements link the remuneration of the Directors to standards of performance in connection with the carrying out by the Company of the functions of a relevant undertaker.

SSE plc must ensure that it has remuneration policies in place that are competitive within the utilities sector. The main Directors' remuneration packages are based on their overall group responsibilities and include a basic salary, annual incentive plan, pension arrangements, benefits and, where appropriate, a Long Term Performance Share Plan. Under the annual incentive plan scheme, up to 25% of a Directors' maximum bonus depends, on the achievement of personal targets, which may include performance in relation to the Water Supply & Sewerage Services (Customer Service Standards) Regulations 2008.

At year end, annual targets are reviewed against outcomes and the actual award made is in relation to achievement versus target performance. Where relevant the award is reviewed and approved by the Remuneration Committee.