

Kelda Water Services (Projects) Limited

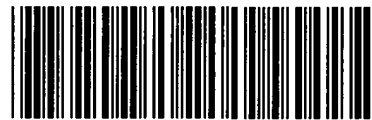
Annual report and financial statements

Registered number 6690873

Year ended 31 March 2016

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Directors and advisers

Directors

G M Cawthra
T Hall
P J Doherty (appointed 19 August 2015)

Company secretary

A W M White

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Central Square
29 Wellington Street
Leeds
LS1 4DL

Registered office

Western House
Halifax Road
Bradford
West Yorkshire
BD6 2SZ

Directors' report

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

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 business review

The company's principal activity is that to act as a holding company.

Principal risks and uncertainties

Strategic, financial, commercial, operational, social, environmental and ethical risks are all considered as part of the company's controls, which are designed to manage rather than eliminate the risk of failure to achieve business objectives. These controls can only provide reasonable, not absolute, assurance against material misstatement of losses.

There are no material risks or uncertainties which require disclosure.

Key performance indicators

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

Results

The company incurred no profit or loss in the year, and therefore no profit and loss account is presented.

Proposed dividend

The directors do not recommend a payment of a final dividend of (2015: £nil).

Going concern

The financial statements are prepared on a going concern basis as the holding company has agreed that it will continue to provide financial support to this company to enable it to meet its liabilities as they fall due for at least one year after these financial statements are signed.

Future developments

The company will seek to maximise the benefits of any market opportunities that arise.

Directors

The directors listed below have served the company throughout the year end up to the date of approval of the financial statements, unless otherwise stated:

G M Cawthra

T Hall


P J Doherty (appointed 19 August 2015)

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.

Directors' report

On behalf of the board



G M Cawthra
Director

Western House
Halifax Road
Bradford
West Yorkshire
BD6 2SZ

22 December 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 FRS 101 *Reduced Disclosure 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 period. 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 including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report to the members of Kelda Water Services (Projects) Limited

Report on the financial statements

Our opinion

In our opinion, Kelda Water Services (Projects) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its result for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

Kelda Water Services (Projects) Limited's financial statements comprise:

- the balance sheet as at 31 March 2016; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

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

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Kelda Water Services (Projects) Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

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

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

In addition, we read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

A. Ahmad

Arif Ahmad (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Central Square
29 Wellington Street
Leeds
LS1 4DL

22 December 2016

Balance Sheet
as at 31 March 2016

	<i>Note</i>	2016 £	2015 £
Fixed assets			
Investments	3	19,700	9,800
Creditors: amounts falling due within one year	4	(19,699)	(9,799)
Net assets		<u>1</u>	<u>1</u>
Capital and reserves			
Called up share capital	5	<u>1</u>	<u>1</u>
Shareholders' funds		<u>1</u>	<u>1</u>

These financial statements on pages 8 to 11 were approved by the board of directors on 22 December 2016 and were signed on its behalf by:



G M Cawthra

Director

Company registered number: 6690873

Notes

(forming part of the financial statements)

1 Accounting policies

Kelda Water Services (Projects) Limited (the "Company") is a private company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and the Companies Act 2006 as applicable to companies using FRS 101.

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

Kelda Eurobond Co Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Kelda Eurobond Co Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Western House, Halifax Road, Bradford, BD6 2SZ.

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 and tangible fixed assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.
- Disclosures in respect of consolidation

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

The directors consider there to be no judgements made, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment.

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

The financial statements are prepared on a going concern basis as Kelda Water Services Limited has agreed that it will continue to provide financial support to this company to enable it to meet its liabilities as they fall due.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Notes

(forming part of the financial statements)

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.

2 Profit and loss account

The company has not made a profit or loss and therefore no profit and loss account has been presented.

3 Investments

	Subsidiary undertakings £	Total £
<i>Cost</i>		
At beginning of year	9,800	9,800
Additions	9,900	9,900
At end of year	19,700	19,700
<i>Net book value</i>		
At 31 March 2016	19,700	19,700
At 31 March 2015	9,800	9,800

The Company has the following investments in subsidiaries.

	Country of Incorporation	Nature of business	Class of shares held	Ownership 2016	2015
Alauna Renewable Energy Limited	England & Wales	Construction and financing of an anaerobic digestion facility	Ordinary	95%	95%
Kelda Organic Energy Limited	England & Wales	Construction of an anaerobic digestion facility	Ordinary	100%	100%
Kelda Organic Energy (Edinburgh) Limited	England & Wales	Operating and maintaining of an anaerobic digestion facility	Ordinary	100%	100%
Kelda Organic Energy (Cardiff) Limited	England & Wales	Dormant	Ordinary	100%	100%

The company paid £9,900 to further acquire the share capital of Kelda Organic Energy Limited.

The company's share of post-acquisition total recognised profit or loss in the above associates for the year ended 31 March 2016 was £nil (2015: £nil).

The directors believe that the carrying value of the investments is supported by their underlying net assets.

Notes

(forming part of the financial statements)

4 Creditors: amounts falling due within one year

	2016 £	2015 £
Amounts owed to group undertakings	19,699	9,799

5 Called up share capital

	2016 £	2015 £
<i>Allotted, called up and fully paid</i>		
- Ordinary share (2015: 10,000) at £nil each (2015 at £1 each)	-	10,000

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

6 Ultimate parent company and parent company of larger group

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

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