

Catchment Highland Limited

Annual Report and Financial Statements

For the Year Ended 31 December 2011

Registered Number SC163036

FRIDAY



S1B4L0EP

SCT

15/06/2012

#275

COMPANIES HOUSE

Catchment Highland Limited

Financial Statements

Year ended 31 December 2011

Contents	Pages
Company information	1
The directors' report	2 to 3
Statement of directors' responsibilities	4
Independent auditor's report to the members	5 to 6
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9 to 13

Catchment Highland Limited

Company Information

The board of directors

John Findlay McFadzean
Nigel Wythen Middleton
Malcolm Richard Saunders

Company secretary

Infrastructure Managers Limited

Registered office

2nd Floor
11 Thistle Street
Edinburgh
EH2 1DF

Auditor

KPMG LLP
Chartered Accountants
and Statutory Auditors
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

Catchment Highland Limited

The Directors' Report

Year ended 31 December 2011

The directors present their report and the financial statements of the Company for the year ended 31 December 2011.

Principal Activities and Business Review

The principal activity of the company is the intra-group leasing of plant, equipment and related land.

Results and Dividends

The profit for the year amounted to £nil. The directors have not recommended a dividend.

The profit for the year will be transferred to reserves.

The directors consider the financial position of the company at the year end to be satisfactory and that the delivery of operational services is running well.

Principal risks and uncertainties

As the project has now been operational for a number of years the risks associated with the building phase have largely receded. The principal risk is the ability of the parent company to service the debt payments. The parent company regularly prepares cash flow forecasts covering the entire concession which clearly show that there are no issues.

Key performance indicators

The Directors believe that the analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the performance or position of the Company.

Political and charitable contributions

The Company made no political contributions or charitable donations during the year.

Financial Instruments

The Company has no significant financial instruments.

Directors

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

The Directors had no beneficial interest in the Company. The Directors' interests in the ultimate parent company are disclosed in that Company's financial statements. The Directors had no material interest in any contract of significance to which the Company was a party during the financial year.

Catchment Highland Limited

The Directors' Report *(continued)*

Year ended 31 December 2011

Disclosure of information to the 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 auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

KPMG LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office:
2nd Floor
11 Thistle Street
Edinburgh
EH2 1DF

Signed by order of the directors



Infrastructure Managers Limited
Company Secretary

Approved by the directors on 30 May 2012

Catchment Highland Limited

Statement of Directors' Responsibilities

Year ended 31 December 2011

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).

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 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.

The Directors' responsibilities were approved by the board on 30 May 2012 and signed on its behalf by:



John Findlay McFadzean

Catchment Highland Limited

Independent Auditor's Report to the Members of Catchment Highland Limited

We have audited the financial statements of Catchment Highland Limited for the year ended 31 December 2011 set out on pages 7 to 13 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes.

The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 Auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 (APB'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 APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 December 2011 and of its profit 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.


Catchment Highland Limited

Independent Auditor's Report to the Members of Catchment Highland Limited *(continued)*

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.



Mick Davies (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Saltire Court, 20 Castle Terrace, Edinburgh EH1 2EG

31/5/2012

Catchment Highland Limited

Profit and Loss Account

Year ended 31 December 2011

	Note	2011 £	2010 £
Turnover		-	-
Operating Profit		-	-
Interest receivable	3	380,468	432,389
Interest payable and similar charges	4	(380,468)	(432,389)
Profit on Ordinary Activities Before Taxation		-	-
Tax on profit on ordinary activities		-	-
Profit for the Financial Year		-	-

All of the activities of the Company are classed as continuing.

The notes on pages 9 to 13 form part of these financial statements.

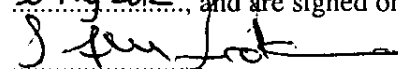
Catchment Highland Limited

Balance Sheet

As at 31 December 2011

	Note	2011 £	2010 £
Current Assets			
Debtors due within one year	5	1,373,895	1,208,298
Debtors due after one year	5	7,494,718	8,868,613
		<u>8,868,613</u>	<u>10,076,911</u>
Creditors: Amounts falling due within one year	6	<u>(1,373,895)</u>	<u>(1,208,298)</u>
Net Current Assets		<u>7,494,718</u>	<u>8,868,613</u>
Total Assets Less Current Liabilities		<u>7,494,718</u>	<u>8,868,613</u>
Creditors: Amounts falling due after more than one year	7	<u>(7,686,533)</u>	<u>(9,060,428)</u>
Net liabilities		<u>(191,815)</u>	<u>(191,815)</u>
Capital and Reserves			
Share capital	10	2	2
Profit and loss account	11	<u>(191,817)</u>	<u>(191,817)</u>
Deficiency of Equity Shareholders' Funds	12	<u>(191,815)</u>	<u>(191,815)</u>

These financial statements on pages 7 to 13 were approved by the directors and authorised for issue on 30 May 2012, and are signed on their behalf by:



John Findlay McFadzean

Company Registration Number SC163036

The notes on pages 9 to 13 form part of these financial statements.

Catchment Highland Limited

Notes to the Financial Statements

Year ended 31 December 2011

1. Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom. The financial statements have been prepared on a going concern basis as the Company's financial projections indicate that sufficient funds will be generated to allow on-going obligations to be met as they fall due.

As the Company is a wholly owned subsidiary of Catchment Highland Holdings Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of BIIF Bidco Limited, within which this Company is included, can be obtained from the address given in note 14.

Going Concern

The financial statements have been prepared on a going concern basis notwithstanding net liabilities of £191,815 at 31 December 2011. The company is dependent on interest income from its immediate parent to allow it to settle ongoing obligations as they fall due. The company's financial projections indicate that sufficient funds will be generated to ensure ongoing obligations are met. On that basis, the directors are satisfied that it is appropriate for the financial statement to continue to be prepared on a going concern basis.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Catchment Highland Limited

Notes to the Financial Statements

Year ended 31 December 2011

1. Accounting policies (*continued*)

Finance lease agreements

The company and its parent, Catchment Limited, have entered into a series of legal agreements to finance the Fort William and Inverness wastewater and sewage treatment plants:

- Catchment Highland Limited purchases certain assets as agent for Catchment Limited;
- Catchment Highland Limited leases certain assets from Catchment Limited for a nominal sum, and;
- Catchment Limited leases back the same assets from Catchment Highland Limited for operational use in the business.

The directors have concluded that the substance of the arrangements is such that the risks and rewards of the projects lie with Catchment Limited. As such, all assets, liabilities and transactions relating to the business are shown within Catchment Limited, irrespective of the legal ownership.

Catchment Highland Limited remains as a leasing business which rents assets to Catchment Limited. Accordingly, these accounts show the lease liabilities and lease debtors. The capital element of future rentals receivable is treated as an asset and the interest element is credited to the profit and loss account over the period of the lease in proportion to the debtor outstanding. Similarly, the capital element of future rentals payable is treated as a liability and the interest element is charged to the profit and loss account over the period of the lease in proportion to the obligation outstanding.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

2. Particulars of employees and directors

The Directors did not receive any remuneration from the Company during the year (2010: £nil). The company has no employees (2010: £nil).

The company's audit fee for the current and prior years are borne by its immediate parent company.

Catchment Highland Limited

Notes to the Financial Statements

Year ended 31 December 2011

3. Interest receivable

	2011	2010
	£	£
Finance lease charges receivable from parent undertaking	<u>380,468</u>	<u>432,389</u>

4. Interest payable and similar charges

	2011	2010
	£	£
Finance charges	<u>380,468</u>	<u>432,389</u>

5. Debtors

	2011	2010
	£	£
Obligations under finance leases owned by parent undertaking	<u>8,868,613</u>	<u>10,076,911</u>

The debtors above include the following amounts falling due after more than one year:

	2011	2010
	£	£
Obligations under finance leases owned by parent undertaking	<u>7,494,718</u>	<u>8,868,613</u>

6. Creditors: Amounts falling due within one year

	2011	2010
	£	£
Finance lease agreements	<u>1,373,895</u>	<u>1,208,298</u>

7. Creditors: Amounts falling due after more than one year

	2011	2010
	£	£
Amounts owed to group undertakings	191,815	191,815
Finance lease agreements	<u>7,494,718</u>	<u>8,868,613</u>
	<u>7,686,533</u>	<u>9,060,428</u>

8. Commitments under finance lease agreements

Future commitments under finance lease agreements are as follows:

	2011	2010
	£	£
Amounts payable within 1 year	1,373,895	1,208,298
Amounts payable between 1 and 2 years	1,524,667	1,369,702
Amounts payable between 3 and 5 years	5,970,051	5,230,929
Amounts payable after more than 5 years	-	2,267,982
	<u>8,868,613</u>	<u>10,076,911</u>

Catchment Highland Limited

Notes to the Financial Statements

Year ended 31 December 2011

9. Contingencies

There is a cross guarantee in place in respect of monies advanced by Société Générale to Catchment Highland Holdings Limited and Catchment Limited.

The assets of the company are secured to Société Générale by way of a fixed and floating charge.

10. Share capital

Authorised share capital:

	2011	2010
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2011		2010	
	No	£	No	£
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

11. Profit and loss account

	2011	2010
	£	£
Balance brought forward	<u>(191,817)</u>	<u>(191,817)</u>
Balance carried forward	<u>(191,817)</u>	<u>(191,817)</u>

12. Reconciliation of movements in shareholders' funds

	2011	2010
	£	£
Opening shareholders' deficit	<u>(191,815)</u>	<u>(191,815)</u>
Closing shareholders' deficit	<u>(191,815)</u>	<u>(191,815)</u>

13. Related party disclosures

The directors have considered the provisions contained within FRS 8 and are satisfied that there are no further disclosures required.

Catchment Highland Limited

Notes to the Financial Statements

Year ended 31 December 2011

14. Ultimate parent company

The company is a wholly owned subsidiary of Catchment Limited which is a wholly owned subsidiary of Catchment Highland Holdings Limited. The smallest group in which the results of the company are consolidated is that headed by BIIF Bidco Limited, a company registered in Scotland. The consolidated accounts of this group are available to the public and may be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

Catchment Highland Holdings Limited is a joint venture with equal immediate parent ownership of Reno Water (Highland) Limited, a company registered in England and Wales (with ultimate parent ownership of Barclays Integrated Investment Fund LP), International Water (Highland) Ltd (with ultimate parent ownership of Barclays Integrated Investment Fund LP, and International Water UU (Highland) Limited a company registered in England and Wales (which in turn has equal immediate parent ownership of United Utilities (Highland) Limited and IWUHH Limited).

The ultimate parent and controlling entity is Barclays Integrated Investment Fund LP. Barclays Integrated Investment Fund LP is owned by a number of investors, with no one investor having individual control.