

Anglian Water Business (National) Limited

Annual Report and Financial Statements

For the year ended 31 March 2018

Registered Number 03017251

Registered Office:
Northumbria House
Abbey Road
Pity Me
Durham
DH1 5FJ

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Company information

Directors	WP Young A Donnelly JP Clarke LJ Darch S Hazon NJ Watson RA Boucher M Parker L Shipsey
Registered Office	Northumbria House Abbey Road Pity Me Durham DH1 5FJ United Kingdom
Auditor	Deloitte LLP Statutory Auditor One Trinity Gardens Broad Chare Newcastle upon Tyne United Kingdom NE1 2HF

Strategic report

The directors of Anglian Water Business (National) Limited (the company) are pleased to present their strategic report for the year ended 31 March 2018

Review of the business

The company is incorporated in England and Wales and domiciled in the UK. The company's principal activity during the year was delivering competitive retail water and waste water services for non-domestic water customers. During the year, the company also launched an energy proposition under a white label arrangement with Corona Energy to cross-sell energy contracts to existing customers.

Results and other developments

The company made a profit for the year after taxation of £263k (2017: £2,355k). The company's net assets as at 31 March 2018 were £42,089k (2017: £3,812k).

On 3 April 2017, a share issue of 417,510,700 ordinary shares of £0.10 each was authorised by the directors of the company, issued to Anglian Venture Holdings Limited and fully paid.

On 1 April 2017, the English Retail Water Market opened, representing a competitive market for retail water and waste water services for all non-domestic customers across England, and a limited number of large water users in Wales. On this date, Anglian Water Services as the incumbent water supplier in the regions of Anglian Water, transferred the water and wastewater supply arrangements for its non-domestic customers to the company under a statutory transfer scheme in exchange for consideration of £78.9m.

During the financial year, the company entered into a joint venture with NWG Business Limited (NWGB) to combine the non-domestic retail operations of the company and NWGB in order to strengthen the capabilities of the two companies, and to achieve economies of scale and cost synergies. Clearance for the joint venture, trading under the name Wave Ltd was given by the Competition and Markets authority on 1 August 2017.

On 31 August 2017, Wave Ltd became the controlling entity of the company. Further discussion of the principal risks and uncertainties is included in the Wave Ltd annual report which does not form part of this report.

Future Developments

The company will compete in the competitive water markets in England, Scotland and Wales and intends to offer a range of added value services as well as the provision of water and wastewater services. The company also intends to grow the portfolio of energy customers and to operate as a multi-utility supplier.

On 31 August 2018, the company purchased the trade and net assets of its sister company NWGB. This transaction was completed as part of the joint venture as described above. The consideration paid for this transaction was £31,320k. At the same date 313,200,000 ordinary shares were issued and fully paid.

Strategic report (continued)

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The company's principal financial instrument is cash.

- Liquidity risk: as regards day to day liquidity, the company is responsible for cash management and has agreed borrowing facilities of £16,700k with Anglian Venture Holdings Limited and external borrowing facilities of £20,000k to support trading activities.
- Interest rate risk: the company receives interest income on surplus cash at a floating rate and it pays interest on its loan debt at a floating rate. Interest is charged at a variable rate on bank overdrafts. Therefore financial assets, liabilities, interest income and interest charges and cash flows can be affected by movements in interest rates. However, the exposure is reduced as these cash flows largely offset each other. The company's policy is to accept a degree of interest rate risk. On the basis of the company's analysis, it is estimated that a 1% rise in interest rates would not have a material effect.

Approved by the board on 11 October 2018 and signed on its behalf by:



W P Young
Director

Directors' report

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

Directors

The directors who held office during the year and up to the date of signing were as follows:

WP Young	
A Donnelly	
L Shipsey	(resigned 6 July 2018)
M Parker	(appointed 31 August 2017)
LJ Darch	(appointed 31 August 2017)
S Hazon	(appointed 31 August 2017)
NJ Watson	(appointed 31 August 2017)
RA Boucher	(appointed 31 August 2017)
RE Wilson	(resigned 31 August 2017)
JP Clarke	(resigned 24 May 2018)
MA Dugdale	(appointed 31 August 2017, resigned 19 April 2018)
RH Wilkinson	(appointed 31 August 2017, resigned 10 April 2018)

Objectives and policies

All of the company's financial risks are governed by group policies and procedures discussed within Wave Ltd consolidated financial statements.

Treasury policies

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

Directors' assessment of going concern

As at 31 March 2018, the company had net current assets of £51,762k (2017: £3,786k) and net assets of £42,089k (2017: £3,812k). The directors have reviewed group cash flow requirements, including reasonably possible changes in trading performance, and are confident that they will be able to meet these from funds available and agreed borrowing facilities in place. Accordingly, the directors expect the company to continue with its principal activity for the foreseeable future, and the financial statements have been prepared on a going concern basis.

Indemnification of directors

The company had directors' and officers' insurance in place for the year to 31 March 2018. This insurance includes a deed of indemnity to grant the directors of the company further protection against liability to third parties, subject to the conditions set out in the Companies Act 2006, and this remains in place.

Dividends

During the year, dividends of £3,737k (2017: £nil) were approved by the board and have been paid to Anglian Venture Holdings Limited who were the sole shareholders of the company at that time.

Directors' report (continued)

Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing his report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

Auditor

Deloitte LLP was appointed as auditor in the current period. Pursuant to S487 of the Companies Act 2006, the auditor is deemed to be re-appointed for the ensuing year.

This report has been authorised and approved for issue by the board and signed on its behalf.



WP Young
Director

11 October 2018

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with United Kingdom applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Anglian Water Business (National) Limited

Opinion

In our opinion the financial statements of Anglian Water Business (National) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements 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 20.

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 Financial Reporting Council's (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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Independent auditor's report to the members of Anglian Water Business (National) Limited (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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

Independent auditor's report to the members of Anglian Water Business (National) Limited (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

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.



Anthony Matthews FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Newcastle upon Tyne

Income Statement

for the year ended 31 March 2018

	Note	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
Revenue		343,908	79,946
Cost of sales		(320,548)	(73,590)
Gross profit		23,360	6,356
Administrative expenses	4	(21,955)	(3,439)
Operating profit		1,405	2,917
Other interest receivable and similar income	7	469	26
Finance costs payable	8	(1,399)	-
Profit before taxation		475	2,943
Taxation	9	(212)	(588)
Comprehensive income for the year attributable to the owners of the company		263	2,355

The above results were derived from continuing operations.

Statement of comprehensive income

for the year ended 31 March 2018

There was no other comprehensive income attributable to the shareholders of the company for the year ended 31 March 2018 or for the year ended 31 March 2017.

Balance sheet

as at 31 March 2018

	Note	31 March 2018 £000	31 March 2017 £000
Non-current assets			
Intangible assets	10	6,503	-
Tangible assets	11	335	23
		<u>6,838</u>	<u>23</u>
Current assets			
Trade and other receivables	12	135,094	19,044
Cash and bank balances		332	24,053
		<u>135,426</u>	<u>43,097</u>
Current liabilities			
Trade and other payables	13	(83,263)	(38,721)
Income tax liability	9	(401)	(590)
		<u>(83,664)</u>	<u>(39,311)</u>
Net current assets		<u>51,762</u>	<u>3,786</u>
Total assets less current liabilities		<u>58,600</u>	<u>3,809</u>
Non-current liabilities			
Loans and borrowings	14	(16,703)	-
Deferred tax	15	192	3
		<u>(16,511)</u>	<u>3</u>
Total non-current liabilities		<u>(16,511)</u>	<u>3</u>
Net assets		<u>42,089</u>	<u>3,812</u>
Capital and Reserves			
Called up share capital	18	42,483	732
Share premium account		8	8
Profit and loss account		(402)	3,072
Equity attributable to the owner of the company		<u>42,089</u>	<u>3,812</u>

These financial statements were approved by the Board and authorised for issue on 11 October 2018 and signed on its behalf by:


WP Young
Director

Statement of changes in equity

for the year ended 31 March 2018

	Note	Called up share capital £000	Share premium account £000	Retained earnings £000	Total £000
At 1 April 2016		732	8	717	1,457
Profit for the year and total comprehensive income		-	-	2,355	2,355
At 1 April 2017		732	8	3,072	3,812
Profit for the year and total comprehensive income		-	-	263	263
Dividends for the year		-	-	(3,737)	(3,737)
Issue of share capital		41,751	-	-	41,751
At 31 March 2018		42,483	8	(402)	42,089

Notes to the financial statements

1. General information

The company is a company incorporated and domiciled 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 pounds sterling because that is the currency of the primary economic environment in which the company operates.

These financial statements are separate financial statements. The group financial statements of Wave Ltd are available to the public and can be obtained as set out in note 20. The registered office address of the parent company preparing consolidated financial statements is stated in note 20.

2. Significant accounting policies

Basis of accounting

The company meets the definition of a qualifying entity under FRS 101 issued by the Financial Reporting Council. These financial statements were prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

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, financial instruments, related party transactions, capital management and comparative information in respect of certain assets.

Where relevant, equivalent disclosures have been given in the group financial statements of Wave Ltd.

Amendments to International Financial Reporting Standards (IFRSs) and the new Interpretation that are mandatorily effective for the current year

In the current year, the company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2017. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

The financial statements have been prepared on the historical cost basis, modified to include certain items at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

The principal accounting policies adopted are set out on the following pages.

Intangible assets

The intangible assets of the company are all software, and are stated at cost, net of amortisation and any provision for impairment.

Amortisation is provided for on all intangible assets and is applied evenly over the useful economic life of each asset. Annual reviews will be carried out to ensure that the amortisation profile of intangible assets is still relevant.

The expected useful lives of the intangible assets are categorised as follows:

Customer Contracts	10 years
Computer software	3-7 years

Property, plant and equipment

All property, plant and equipment are initially recorded at cost. The carrying values of all assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Notes to the financial statements (continued)

2. Significant accounting policies (continued)

Depreciation

Depreciation is provided on all property, plant and equipment, evenly over the useful economic life of each asset, at rates calculated to write off the cost less estimated residual value, based on prices prevailing at the date of acquisition.

The expected useful lives of the tangible fixed assets are categorised as follows:

Property, Plant & Equipment	3 years
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Going concern

As at 31 March 2018, the company had net current assets of £51,762k (2017: £3,786k) and net assets of £42,089k (2017: £3,812k). The directors have reviewed the group's cash flow requirements, including reasonably possible changes in trading performance, and are confident that they will be able to meet these from funds available and agreed borrowing facilities in place. Accordingly, the directors expect the company to continue with its principal activity for the foreseeable future, and the financial statements have been prepared on a going concern basis.

Revenue recognition

Revenue is stated net of value added tax. Revenue, profit before taxation and net assets are wholly attributable to the principal activity of the company, being the delivery of retail water and waste water services for non-domestic customers and arise solely within the United Kingdom.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and can be reliably measured.

Based on the nature of the company's operations the directors consider that there are no key sources of estimation uncertainty that are required to be disclosed.

Leases

Rentals under operating leases are charged to the income statement on a straight-line basis over the lease term.

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.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Notes to the financial statements (continued)

2. Significant accounting policies (continued)

Deferred Tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Financial Instruments measurement policies

Cash

For the purposes of the statement of financial position, cash and bank balances consist of cash in hand and cash held at financial institutions which is repayable without penalty on demand.

Trade and other receivables

Trade and other receivables are initially recognised at fair value. Subsequent to initial measurement they are subject to impairment review at each reporting date as described in note 3.

Trade and other payables

Trade and other payables including long term loans are recognised at fair value.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements (other than those involving estimates) that have a significant impact on the amount recognised, and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Based on the nature of the company's operations the directors consider that there are no critical accounting judgements and key sources of estimation uncertainty that are required to be disclosed.

Provision on Receivables

At 31 March 2018 the company has recognised trade receivables with a carrying value of £76,537k (2017: £6,029k). Using information available at the balance sheet date, the Directors make judgments and detailed estimates based on experience regarding the level of provision required to account for potentially uncollectible receivables.

Accrued Income

At 31 March 2018 the company had an accrued income balance of £34,568k (2017: £328k). Using detailed historical billing data as well as predicted usage the directors make appropriate judgements to calculate the accrued income balance.

Intangible Assets

The company tests the carrying value of customer contracts and other intangible assets on an annual basis or more frequently if there are indications that an impairment may be required.

Notes to the financial statements (continued)

4. Operating profit

Arrived at after charging the following:

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
Depreciation of owned assets	202	17
Amortisation of customer contracts	477	-
Amortisation of software	704	-
Staff costs	8,329	983
Auditor's remuneration for the audit of the company financial	<u>38</u>	<u>15</u>

5. Directors' emoluments

(a) Directors' remuneration

The table below shows the total remuneration paid by the company to the directors during the year:

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
Director's remuneration	953	-
Company contributions to money purchase pension plans	<u>83</u>	<u>-</u>
	<u>1,036</u>	<u>-</u>

(b) Highest paid director

The amounts of remuneration shown in note 5(a) include the following in respect of the highest paid director:

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
Director's remuneration	539	-
Company contributions to money purchase pension plans	<u>23</u>	<u>-</u>
	<u>562</u>	<u>-</u>

Remuneration for 31 March 2018 includes severance of £223k in respect of the highest paid director.

Notes to the financial statements (continued)

6. Staff costs including directors

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
Wages and salaries	6,840	799
Social security costs	598	86
Other pension costs	891	98
	<u>8,329</u>	<u>983</u>

The monthly average number of employees were as follows:

	Year ended 31 March 2018 No.	Year ended 31 March 2017 No.
Administration and support	<u>190</u>	<u>29</u>

7. Other interest receivable and similar income

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
Other interest receivable and similar income	<u>469</u>	<u>26</u>

8. Finance costs payable

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
Interest payable on bank overdrafts and loans	<u>1,399</u>	<u>-</u>

Notes to the financial statements (continued)

9. Taxation

(a) Tax in the income statement

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
Current tax:		
Corporation tax charge at 19% (2017: 20%)	404	592
Adjustments in respect of prior years:	(3)	(2)
Total current tax	<u>401</u>	<u>590</u>
Deferred tax:		
Origination and reversal of timing differences	(189)	(2)
Total deferred tax	<u>(189)</u>	<u>(2)</u>
Total tax expense (note 9b)	<u>212</u>	<u>588</u>

The rate of UK corporation tax for the current year was 19%. Finance Act 2016 provides that this will be reduced to 17% with effect from 1 April 2020. Deferred tax has been provided wholly at 17% as amounts that are expected to reverse at the higher rate are insignificant.

The tax on profit before tax for the year is greater than (2017: less than) the standard rate of corporation tax in the UK of 19% (2017: 20%).

(b) Reconciliation of the total current tax

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
Profit before taxation	<u>475</u>	<u>2,943</u>
Profit before taxation multiplied by standard rate of corporation tax of 19% (2017: 20%)	90	589
Expenses not deductible for tax purposes	103	1
Effect of differences between the rates of current and deferred tax	22	-
Adjustments in respect of prior years	(3)	(2)
Total tax charge (note 9a)	<u>212</u>	<u>588</u>

Notes to the financial statements (continued)

10. Intangible assets

	Customer Contracts £000	Computer Software £000	Total £000
Cost:			
As at 1 April 2017	-	-	-
Additions on acquisition	4,768	2,916	7,684
As at 31 March 2018	4,768	2,916	7,684
Amortisation:			
As at 1 April 2017	-	-	-
Provided during the year	477	704	1,181
As at 31 March 2018	477	704	1,181
Net book value:			
As at 31 March 2018	4,291	2,212	6,503
As at 1 April 2017	-	-	-

11. Property, plant and equipment

	Property, Plant & Equipment £000	Total £000
Cost:		
As at 1 April 2017	166	166
Additions	514	514
At 31 March 2018	680	680
Depreciation:		
As at 1 April 2017	143	143
Provided during the year	202	202
At 31 March 2018	345	345
Net book value as at 31 March 2018	335	335
Net book value as at 1 April 2017	23	23

12. Trade and other receivables

	31 March 2018 £000	31 March 2017 £000
<i>Amounts falling due within one year:</i>		
Trade receivables	76,537	6,029
Amounts owed by other group undertakings	7,500	-
Other receivables	-	621
Prepayments and accrued income	51,057	12,394
	<u>135,094</u>	<u>19,044</u>

Amounts owed by other group undertakings, carry no interest and are repayable on demand.

Notes to the financial statements (continued)

13. Trade and other payables

	31 March 2018 £000	31 March 2017 £000
Trade payables	324	7,744
Bank loans and overdraft (note 14)	14,879	-
Accruals and deferred income	66,989	30,956
Interest payable	513	-
Social security and other taxes	558	21
	<u>83,263</u>	<u>38,721</u>

14. Interest bearing loans and borrowings

	31 March 2018 £000	31 March 2017 £000
Long term liabilities		
Loan from parent	<u>16,703</u>	<u>-</u>
Current assets		
Loan to NWG Business Limited	<u>(7,500)</u>	<u>-</u>
Current liabilities		
Secured bank loans	<u>14,879</u>	<u>-</u>

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Face value 31 March 2018 £000	Carrying amount 31 March 2018 £000
Non-current liabilities					
Loan from parent	GBP	Libor + 2.75%	2019	<u>16,703</u>	<u>16,703</u>
Current assets					
Loan to NWG (Business) Limited	GBP	Libor + 1.25%	2018	<u>(7,500)</u>	<u>(7,500)</u>
Current liabilities					
Secured bank loan	GBP	Libor + 1.25%	2018	<u>14,879</u>	<u>14,879</u>
				<u>24,082</u>	<u>24,082</u>

Notes to the financial statements (continued)

15. Deferred tax

	£000
Net asset at 1 April 2017	3
Recognised in the income statement	189
Net asset at 31 March 2018	<u>192</u>

The breakdown of the deferred tax balance is as follows

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
Accelerated tax depreciation	20	3
Corporate interest restriction	87	-
Other	85	-
	<u>192</u>	<u>3</u>

16. Operating lease commitments

Future minimum rentals payable under non-cancellable operating leases are as follows:

	31 March 2018 £000	31 March 2017 £000
Less than one year	91	88
Between two and five years	108	199
	<u>199</u>	<u>287</u>

The company leases a number of motor vehicles under operating leases.

During the year, £104,000 was recognised as an expense in the profit and loss account in respect of operating leases (2017: £12,000).

17. Pension commitments

Contributions to defined contribution schemes in the year amounted to £598,000 (2017: £98,000). As at 31 March 2018 there were no outstanding or prepaid contributions. Commitments provided for in the financial statements amounted to £nil (2017: £nil). Pension commitments related to pensions payable to past directors are the liability of Anglian Venture Holdings Limited.

Notes to the financial statements (continued)

18. Called up share capital

	31 March 2018 No.	31 March 2017 No.	31 March 2018 £000	31 March 2017 £000
Authorised, issued and fully paid:				
Ordinary shares of £0.10 each	<u>424,830,700</u>	<u>7,320</u>	<u>42,483</u>	<u>732</u>

On 3 April 2017, a share issue of 417,510,700 new ordinary shares of £0.10 each was authorised by the directors of the company. All of these shares were issued to Anglian Venture Holdings Limited and fully paid. On 31 August 2018 the company issued 313,200,000 ordinary shares of £0.10 each which were fully paid.

19. Related parties

The company is a directly wholly owned subsidiary of Wave Ltd, which produces publicly available consolidated financial statements which include the company. Accordingly, the company is exempt under FRS101 from disclosing transactions with other members of the group headed by Wave Ltd.

20. Ultimate parent undertaking and controlling party

The immediate parent company of the company is Wave Ltd, a company registered in England and Wales.

The parent undertaking of the smallest and largest group of undertakings for which group financial statements are drawn up and of which the reporting company is a member is Wave Ltd, registered at Northumbria House, Abbey Road, Pity Me, Durham, DH1 5FJ. Copies of Wave Ltd group financial statements are available from Northumbria House, Abbey Road, Pity Me, Durham, DH1 5FJ.

21. Post balance sheet event

There were no events subsequent to the balance sheet date that require adjusting of these financial statements.