

# Dee Valley Water (Holdings) Limited

## Annual report and financial statements for the year ended 31 March 2022

Company number: 04421854



## **Dee Valley Water (Holdings) Limited**

### **Annual report and financial statements for the year ended 31 March 2022**

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# Dee Valley Water (Holdings) Limited

## Company information

<b>Company number</b>	04421854
<b>Directors</b>	R C McPheely A P Stephens
<b>Secretary</b>	G Eagle
<b>Registered office</b>	Severn Trent Centre 2 St John's Street Coventry CV1 2LZ
<b>Banker</b>	Barclays Bank PLC 1 Churchill Place London E14 5HP
<b>Solicitor</b>	Herbert Smith Freehills LLP Exchange House Primrose Street London EC2A 2EG

# Dee Valley Water (Holdings) Limited

## Strategic report

The Directors present their Strategic report for the year ended 31 March 2022.

### Business review and principal activities

The Company is a wholly owned subsidiary of Severn Trent Plc.

The principal activity of the Company was to act as a holding company.

Severn Trent Plc manages its operations on a divisional basis and the Company's Directors do not believe that further key performance indicators for the Company are necessary to enhance the understanding of the development, performance or position of the business. The performance of the Regulated Water and Waste Water segment, which includes this company, is discussed in Severn Trent Plc's Annual Report and Financial Statements (which does not form part of this report).

### Results and dividends

The company has not traded during the current year and therefore has not generated a profit nor a loss (2021: nil). The Directors do not recommend the payment of a dividend (2021: nil).

### Principal risks and uncertainties

#### Treasury management

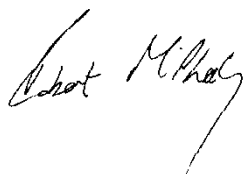
The Severn Trent Group manages its treasury operations on a group basis. Financial risk management is performed by Severn Trent's Group Treasury department. This includes assessment and mitigation of price risk, credit risk, liquidity risk and interest rate cash flow risk. The Group's treasury management policies and operations are discussed in Severn Trent Plc's Annual Report and Financial Statements (which does not form part of this report).

### Financial position and going concern

As at 31 March 2022, the Company had net assets of nil (2021: nil) and net current assets of nil (2021: nil).

The Directors have considered the financial position and future prospects of the Company. The Company participates in the Group's pooled banking arrangements and receives funding, when required, from the Severn Trent Group in the form of intra-group loans. When existing loans reach maturity the appropriate funding will be established as required to ensure such obligations can be met. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources, including financial resources available from other group companies, to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the report and annual financial statements.

By order of the Board



**R C McPheely**  
Director  
5 December 2022

# Dee Valley Water (Holdings) Limited

## Directors' report

The Directors present their report and the audited financial statements of the Company for the year ended 31 March 2022.

### Matters Included in the Strategic report

The following matters are included in the Company's Strategic report on the preceding page:

- Business review and principal activities of the Company
- Results and dividends
- Principal risks and uncertainties
- Financial position and going concern.

### Directors

The Directors who served during the year are shown on page 2.

### Directors' indemnities

The Company's Articles of Association provide that directors of the Company shall be indemnified by the Company against any costs incurred by them in carrying out their duties, including defending any proceedings arising out of their positions as directors in which they are acquitted or judgment is given in their favour or relief from any liability is granted to them by the court. These indemnities were in force throughout the year and up to the date of signing of the financial statements.

### Environment

The Company recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused by its activities. The Company operates in accordance with the group policies of Severn Trent Plc which are described in the Group's Annual Report and Financial Statements (which does not form part of this report).

### Post balance sheet events

There have been no significant post balance sheet events.

# Dee Valley Water (Holdings) Limited

## Directors' report (continued)

### Directors' responsibilities statement

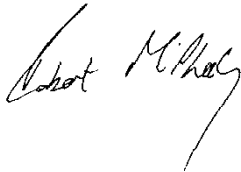
*The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.*

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting standards, including Financial Reporting Standard 101 Reduced Disclosure Framework has 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.

By order of the Board



**R C McPheely**  
**Director**  
**5 December 2022**

# Dee Valley Water (Holdings) Limited

## Balance sheet

At 31 March 2022

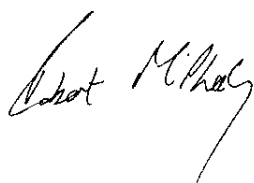
	Note	2022 £m	2021 £m
<b>Non-current assets</b>			
Investments		–	–
<b>Total assets less current liabilities</b>		–	–
<b>Net assets</b>		–	–
<b>Equity</b>			
Share capital	5	–	–
Retained earnings		–	–
<b>Total equity</b>		–	–

For the year ended 31 March 2022, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 (the Act) relating to subsidiary companies.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved by the Board of Directors on 5 December 2022. They were signed on its behalf by:



**R C McPheely**  
Director  
5 December 2022  
Company Number: 04421854

# Dee Valley Water (Holdings) Limited

## Notes to the financial statements

### 1. Accounting policies

#### a) Accounting convention

The financial statements have been prepared on the going concern basis (see Strategic report) under the historical cost convention as modified by the revaluation of certain financial assets and liabilities at fair value, and in accordance with applicable United Kingdom Accounting Standards and comply with the requirements of the Companies Act 2006. The principal accounting policies, which have been applied consistently in the current and preceding year are set out below.

Dee Valley Water (Holdings) Limited (the Company) is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales.

#### b) Basis of preparation

The Company is a wholly owned subsidiary of Severn Trent Plc and is included in the consolidated financial statements of Severn Trent Plc.

The Company meets the definition of a qualifying entity under FRS 100 Application of Financial Reporting Requirements. Accordingly, the Company has elected to apply FRS 101 Reduced Disclosure Framework. Therefore the recognition and measurement requirements of United Kingdom adopted International Financial Reporting Standards have been applied, with amendments where necessary in order to comply with the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) as these are Companies Act 2006 accounts.

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

Where required, equivalent disclosures are given in the Group financial statements of Severn Trent Plc which are available to the public and can be obtained as set out in note 7.

#### c) Impairment of non-current assets

If the recoverable amount of a non-current asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount is the higher of fair value less costs to sell or estimated value in use at the date the impairment review is undertaken. Fair value less costs to sell represents the amount obtainable from the sale of the asset in an arm's length transaction between knowledgeable and willing third parties, less costs of disposal. Value in use represents the present value of future cash flows expected to be derived from a cash-generating unit, discounted using a pre-tax discount rate that reflects current market assessments of the cost of capital of the cash-generating unit or asset.

The discount rate used is based on the estimated cost of capital adjusted for the risk profiles of the business.

Impairment reviews are also carried out if there is an indication that an impairment may have occurred, or, where otherwise required, to ensure that non-current assets are not carried above their estimated recoverable amounts.

Impairments are recognised in the income statement.

#### d) Investments

Investments in subsidiaries in the Company's financial statements are stated at cost less, where appropriate, provisions for impairment.



# Dee Valley Water (Holdings) Limited

## 2. Critical accounting judgments and key sources of estimation uncertainty

In the process of applying the Company's accounting policies, the Company has made no critical accounting judgments and there are no key sources of estimation uncertainty.

## 3. Employee numbers

The average monthly number of employees (including Executive Directors) during the year was nil (2021: nil).

## 4. Directors' remuneration

The emoluments of the Directors are paid by other companies within the Severn Trent Group.

## 5. Share capital

	2022 £m	2021 £m
<b>Total issued and fully paid share capital</b>		
100 ordinary shares of £1 each (2021: 100)	–	–

## 6. Related party transactions

There have been no transactions with the Directors of the Company during the last financial year.

In accordance with the exemption allowed by FRS 101, no disclosure is made of transactions with other wholly owned subsidiary companies which are consolidated into the Severn Trent Plc Group.

## 7. Ultimate parent undertaking

The immediate parent undertaking is Chester Water Limited.

Severn Trent Water Limited is the parent undertaking and controlling party of the smallest group to consolidate these financial statements. Financial statements for Severn Trent Water Limited can be obtained from The Company Secretary, Severn Trent Water Limited, P.O. Box 5309, Coventry, CV3 9FH.

The ultimate parent undertaking and controlling party is Severn Trent Plc, which is the parent undertaking and controlling party of the largest group to consolidate these financial statements. Copies of the Severn Trent Plc consolidated financial statements can be obtained from Severn Trent Plc's registrars at Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.