

Dalriada Water Holdings Limited

Revised annual report and financial statements

Registered number NI050160

Year ended 31 March 2018

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Dalriada Water Holdings Limited
Revised annual report and financial statements
31 March 2018

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Directors

R Larkin
S Venning

Company secretary

M Ellesmere (appointed 21 August 2017)

Independent auditors

KPMG
Chartered Accountants and Statutory Auditors
The Soloist Building
1 Lanyon Place
Belfast
BT1 3LP

Registered office

Westland House
40 Old Westland Road
Belfast
BT14 6TE

Bankers

Barclays Bank Plc
Donegall House
7 Donegall Square North
Belfast
BT1 5GB

Revised directors' report (replaces the original report for the year to 31 March 2018)

The directors present their revised annual report and the audited financial statements of the Company for the year ended 31 March 2018. This revised Director's report replaces the previous Directors' report for the year ended 31 March 2018. This revised report has been prepared as at the date of the original directors' report, 24 July 2018, and not as at the date of this revision. Accordingly, it does not deal with any events between the date of the original director's report and the date of this revised report.

The original directors' report did not comply with the requirements of the Companies Act 2006 as the Company availed of an audit exemption which it was not entitled to and disclosed that the Company was dormant when the Company was not dormant. The company had interest bearing amounts due from a fellow subsidiary undertaking and corresponding interest bearing amounts due to its parent undertaking. As a result, the revised financial statements disclose:

- in the Profit and Loss Accounts and other Comprehensive Income
Interest receivable from fellow subsidiary undertakings of £1,378k (2017: £1,421k) and Interest payable to parent undertaking of £1,378k (2017: £1,421k); and
- in the Balance Sheet
Debtors - loans to group undertakings of £12,695k (2017: £13,136k);
Creditors amounts falling due within one year: loans from group undertakings of £879k (2017: £441k); and
Creditors amounts falling due after more than one year: loan from group undertaking of £11,816 (2017: £12,695k).

Review of business and future developments

Dalriada Water Holdings Limited is the 100% owner of Dalriada Water Limited, and acts as a holding company.

Results and dividends

The profit for the financial period amounts to £Nil (2017: £Nil).

The directors have not recommended the payment of a dividend.

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the parent company Northern Ireland Water Limited.

Events since the end of the year

There have been no significant events since the end of the year.

Directors

The directors who served during the year and up to the date of signing the financial statements unless otherwise stated are as follows:

P J Doherty (resigned 14 August 2017)
I C Washer (resigned 4 September 2017)
G M Cawthra (resigned 30 September 2017)
C S Haysom (appointed 14 August 2017, resigned 20 November 2017)
A L Roach (appointed 30 September 2017, resigned 30 September 2017)
R Larkin (appointed 20 November 2017)
S Venning (appointed 20 November 2017)

Political donations and expenditure

The company made no political contributions during the accounting period to 31 March 2018 (2017: £Nil).

Directors' statement as to disclosure of information to the auditor

So far as the directors are each aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Revised directors' report (replaces the original report for the year to 31 March 2018)

Directors' and officers' liability insurance

Directors' and Officers' liability insurance in respect of the Company and its directors is in place through the Northern Ireland Water Group policy.

Small company's exemption

In preparing the Directors' report, the directors have taken the small companies exemption under Section 414(B) of the Companies Act 2006 not to prepare a strategic report.

Independent auditors

KPMG has been appointed the auditor of the Company for the period ended 31 March 2018. Pursuant to Section 487 of the Companies Act 2006 the current External Audit contract with KPMG will cease in November 2018. The tender process for a new contract is underway with an anticipated start date in November 2018.

On behalf of the board



S Venning
Director
23 June 2021

Statement of director's 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.

The financial statements have been revised and replace the original financial statements for the financial year ended 31 March 2018. The revised financial statements included in this report are now the statutory accounts for the year ended 31 March 2018. The revised Directors' report has been prepared as at the date of the original directors' report, 24 July 2018, and not as at the date of this revision. Accordingly it does not deal with any events between the date of the original director's report and the date of the revised Directors' report.

The original accounts did not comply with the Companies Act 2006 because they were prepared on the basis that the company was dormant for the year. The accounts have been amended and are prepared on the basis that the Company was not dormant. The company had interest bearing amounts due from a fellow subsidiary undertaking and corresponding interest bearing amounts due to its parent undertaking. As a result of the Company not being dormant in the year they have been subject to external audit. The significant revisions to the financial statements are included in the Directors' report.

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 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 assets, liabilities and financial position of the Company and of its profit or loss 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 Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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 also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2006.

On behalf of the board



M Ellesmere

Company Secretary

23 June 2021



KPMG
Audit
The Soloist Building
1 Lanyon Place
Belfast BT1 3LP
Northern Ireland

Independent auditor's report to the members of Dalriada Water Holdings Limited

Report on the audit of the financial statements

Opinion

We have audited the revised financial statements of Dalriada Water Holdings Limited ('the Company') for the year ended 31 March 2018 set out on pages 9 to 19, which comprise the Statement of Profit and Loss and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and related notes, including the summary of significant accounting policies set out in note 1.

In our opinion:

- the revised financial statements give a true and fair view, seen as at the date the original financial statements were approved, of the state of the Company's affairs as at 31 March 2018 and of its results for the year then ended;
- the revised financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework* seen as at the date the original financial statements were approved;
- the revised financial statements have been properly prepared in accordance with the requirements of the Companies Act 2006 as it has effect under the Companies (Revision of Defective Accounts and Reports) Regulations 2008 (the "Regulations"); and
- the original financial statements for the year ended 31 March 2018 failed to comply with the requirements of the Companies Act 2006 in the respects identified by the directors in the statement contained in note 1 to these revised financial statements.

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 ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (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.

Emphasis of matter – Revision of amounts due to and owed by group undertakings, as well as interest thereon.

We draw attention to the disclosures made in note 1 to these revised financial statements concerning the need to revise the financial statements to reflect amounts due to and owed by group undertakings, as well as interest thereon. The revised financial statements replace the original financial statements approved by the directors on 24 July 2018. They have been prepared under the Companies (Revision of Defective Accounts and Reports) Regulations 2008 ("the Regulations") and accordingly do not take account of events which have taken place after the date on which the original financial statements were approved on 24 July 2018. Our previous report was signed on that date. We have not performed a subsequent events review for the period from the date of our previous report to the date of this report. Our opinion is not modified in respect of this matter.

We have nothing to report on going concern

The directors have prepared the revised financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the original financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.



Independent auditor's report to the members of Dalriada Water Holdings Limited (continued)

Other information

The directors are responsible for the other information presented in the Annual Report together with the revised financial statements. The other information comprises the information included in the revised directors' report. The revised financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the revised financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information;

- we have not identified material misstatements in the revised directors report;
- in our opinion, the information given in the revised directors' report is consistent with the revised financial statements;
- in our opinion, the revised directors' report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 requirement to prepare a strategic report.

We have nothing to report in these respects.

Respective responsibilities and restrictions on use

Directors' responsibilities

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for: the preparation of the revised financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of revised financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the revised 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 revised financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The audit of the revised financial statements also includes the performance of procedures to assess whether the revisions made by the directors are appropriate and have been properly made.



Independent auditor's report to the members of Dalriada Water Holdings Limited (continued)

The purpose of our audit work and to whom we owe our responsibilities

Our 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.

John Poole, Senior Statutory Auditor
for and on behalf of
KPMG Statutory Auditor
The Soloist Building
1 Lanyon Place
Belfast
BT1 3LP

25 June 2021

Profit and Loss Account and Other Comprehensive Income
for the period ended 31 March 2018

	<i>Note</i>	2018 £000	Restated 2017 £000
Turnover	2	-	-
Operating costs		-	-
Operating loss	3	-	-
Interest receivable and similar income	5	1,378	1,421
Interest payable and similar expenses	5	(1,378)	(1,421)
Profit before taxation		-	-
Tax on profit	6	-	-
Profit for the financial period		-	-

All of the results of the Company derive from continuing operations.

The notes on pages 12 to 19 form part of these financial statements.

Balance Sheet
as at 31 March 2018

	<i>Note</i>	2018 £000	Restated 2017 £000
Fixed Assets			
Investments	7	-	-
 Current assets			
Debtors due within one year	8	879	441
Debtors: amounts falling due after more than one year	8	11,816	12,695
Cash at bank and in hand		-	-
		<u>12,695</u>	<u>13,136</u>
Creditors: amounts falling due within one year	9	(879)	(441)
Net current assets		11,816	12,695
		<u>11,816</u>	<u>12,695</u>
Total assets less current liabilities		11,816	12,695
Creditors: amounts falling due after more than one year	10	(11,816)	(12,695)
Provisions for liabilities			
Taxation including deferred tax	6	-	-
Net assets		<u>-</u>	<u>-</u>
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account		-	-
Total shareholders' funds		<u>-</u>	<u>-</u>

The notes on pages 12 to 19 form part of these revised financial statements.

The revised financial statements were approved by the board of directors on 23rd June 2021 and were signed on its behalf by:



R Larkin
Director

Company registered number: NI050160

Statement of Changes in Equity
for the period ended 31 March 2018

	Called up Share capital £000	Profit and loss account £000	Total shareholders' funds £000
Balance at 1 April 2016	-	-	-
Total comprehensive income for the financial period			
Profit	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	-
Balance at 31 March 2017	<hr/>	<hr/>	<hr/>
	-	-	-
	<hr/>	<hr/>	<hr/>
	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 1 April 2017	-	-	-
Total comprehensive income for the financial period			
Profit	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	-
Balance at 31 March 2018	<hr/>	<hr/>	<hr/>
	-	-	-
	<hr/>	<hr/>	<hr/>

The notes on pages 12 to 19 form part of these financial statements.

Notes to the financial statements

1 Accounting policies

Dalriada Water Holdings Limited (the "Company") is a private company limited by shares and incorporated, domiciled and registered in the UK. The registered number is NI050160 and the registered address is Westland House, 40 Old Westland Road, Belfast BT14 6TE.

The directors present their revised annual report and the audited financial statements of the Company for the year ended 31 March 2018. This revised annual report and financial statements replaces the previous annual report and financial statements for the year ended 31 March 2018. This revised annual report and financial statements has been prepared as at the date of the original annual report and financial statements, 24 July 2018, and not as at the date of this revision. Accordingly, it does not deal with any events between the date of the original annual report and financial statements and the date of this annual report and financial statements.

The original financial statements did not comply with the requirements of the Companies Act 2006 as the Company availed of an audit exemption which it was not entitled to and disclosed that the Company was dormant when the Company was not dormant. The company had interest bearing amounts due from a fellow subsidiary undertaking and corresponding interest bearing amounts due to its parent undertaking. As a result, the revised financial statements disclose:

- in the Profit and Loss Accounts and other Comprehensive Income
Interest receivable from fellow subsidiary undertakings of £1,378k (2017: £1,421k) and Interest payable to parent undertaking of £1,378k (2017: £1,421k); and
- in the Balance Sheet
Debtors - loans to group undertakings of £12,695k (2017: £13,136k);
Creditors amounts falling due within one year: loans from group undertakings of £879k (2017: £441k); and
Creditors amounts falling due after more than one year: loan from group undertaking of £11,816 (2017: £12,695k).

These revised financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These revised financial statements present information about the Company as an individual undertaking and not about its group.

In preparing these revised 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.

The Company's ultimate parent undertaking, Northern Ireland Water Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Northern Ireland Water Limited are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from the Company's website www.niwater.com or from Northern Ireland Water Limited's registered office, Westland House, 40 Old Westland Road, Belfast, BT14 6TE.

In these revised 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;
- 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.
- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these revised financial statements. No judgements made by the directors, in the application of these accounting policies have significant effect on the revised financial statements and there are no estimates with a significant risk of material adjustment.

Notes to the financial statements

1 Accounting policies (continued)

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of its parent company Northern Ireland Water Limited.

Classification of financial instruments by the Company

Following the adoption of IAS32, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

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.

Investments in debt and equity securities

Investments in subsidiaries are carried at cost less impairment.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Notes to the financial statements

1 Accounting policies *(continued)*

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of the impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Expenses

Interest receivable and interest payable

Interest payable and similar expenses include interest payable, finance expense on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost that asset. Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

2 Turnover

Turnover represents the value of goods and services supplied to third parties. There was no turnover during the reporting period.

3 Expenses and auditor's remuneration

Included in profit are the following:

	2018	2017
	£000	£000
Auditor's remuneration: Audit of these financial statements	-	-

Auditor's remuneration is borne by the Company's ultimate parent undertaking, Northern Ireland Water Limited.

Notes to the financial statements

4 Staff costs and directors' emoluments

The company did not have any employees during the period ended 31 March 2018 (2017: Nil).

The directors did not receive any emoluments for their services from the company.

5 Interest receivable and interest payable

	2018 £000	Restated 2017 £000
Interest receivable from fellow subsidiary undertakings	1,378	1,421
Total interest receivable and similar income	1,378	1,421
	<hr/> <hr/>	<hr/> <hr/>
Interest payable to parent undertaking	(1,378)	(1,421)
Total interest payable and similar expenses	(1,378)	(1,421)
	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements

6 Taxation

Total tax charge recognised in the profit and loss account

	2018	2017
	£000	£000
<i>UK corporation tax</i>		
Current tax on income for the period	-	-
	<hr/>	<hr/>
Total current tax	-	-
<i>Deferred tax</i>		
Origination and reversal of temporary differences	-	-
	<hr/>	<hr/>
Total deferred tax	-	-
	<hr/>	<hr/>
Tax on profit	-	-
	<hr/> <hr/>	<hr/> <hr/>

Reconciliation of effective tax rate

	2018	2017
	£000	£000
Profit for the period	-	-
Total tax expense	-	-
	<hr/>	<hr/>
Profit excluding tax	-	-
Tax using the UK corporation tax rate of 19%	-	-
Group relief not paid for	-	-
	<hr/>	<hr/>
Total tax expense	-	-
	<hr/> <hr/>	<hr/> <hr/>

Factors affecting future tax charge

The company does not have a tax charge for the period.

From April 2017 new legislation was introduced which may impact the future tax charge as follows:

- The Corporate Interest Restriction legislation was introduced. The Group considers itself to be a qualifying infrastructure company for the Public Infrastructure Exemption and does not anticipate that the new rules will impact on the deductibility of interest payable by members of the Group.

Notes to the financial statements

7 Fixed assets Investments

	Shares in group undertakings £
Cost	
At 1 April 2017	100
Additions	-
	100
At 31 March 2018	100
Net book value at 31 March 2018	100

As at 31 March 2018, the Company has the following investments in subsidiaries:

	Registered Office	Principal activity	Class of share held	Percentage of shares held
Dalriada Water Limited**	9 Dunore Road Aldergrove Crumlin Co. Antrim BT29 4DZ	Construction and financing of clean water treatment facilities	Ordinary	100%

The shares in Dalriada Water Holdings Limited were purchased by the NI Water Clear Limited on 20 November 2017.

**The shares of Dalriada Water Limited are held 100% by Dalriada Water Holdings Limited.

Notes to the financial statements

8 Debtors

	2018	Restated
	£000	2017 £000
Loan to group undertakings	12,695	13,136
	<u>12,695</u>	<u>13,136</u>
Due within one year	879	441
Due after more than one year	11,816	12,695
	<u>11,816</u>	<u>12,695</u>

The loan to group undertakings represents sub-ordinated debt owed by Dalriada Water Limited. The terms of the sterling loan are: fixed nominal interest rate of 10.58%; repaid 6 monthly; and a maturity date of 2031.

9 Creditors: amounts falling due within one year

	2018	Restated
	£000	2017 £000
Loan from group undertakings	879	441
Amounts owed to group undertakings	-	-
Accruals and deferred income	-	-
	<u>879</u>	<u>441</u>

The loan from group undertakings represents sub-ordinated debt owed to NI Water Clear Limited. The terms of the sterling loan are: fixed nominal interest rate of 10.58%; repaid 6 monthly; and a maturity date of 2031.

10 Creditors: amounts falling due after more than one year

	2018	Restated
	£000	2017 £000
Loan from group undertakings	11,816	12,695
Amounts owed to group undertakings	-	-
	<u>11,816</u>	<u>12,695</u>

The loan from group undertakings represents sub-ordinated debt owed to NI Water Clear Limited. The terms of the sterling loan are: fixed nominal interest rate of 10.58%; repaid 6 monthly; and a maturity date of 2031. Included within Loan from group undertakings are amounts repayable after five years by instalments £10,676,000 (2017: £11,117,000).

Notes to the financial statements

11 Capital and reserves

	2018	2017
	£000	£000
<i>Allotted, called up and fully paid</i>		
100 ordinary shares of £1 each	-	-
	<hr/>	<hr/>
Shares classified in shareholders' funds	-	-
	<hr/> <hr/>	<hr/> <hr/>

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.

12 Related parties

Identity of related parties with which the Company has transacted

Since 100% of the Company's voting rights are controlled by Northern Ireland Water Limited, the Company has taken advantage of the exemption not to disclose transactions or balances with other wholly owned subsidiaries.

13 Guarantees

In accordance with the share acquisition by the Northern Ireland Water Group of: (i) Dalriada Water (Holdings) Limited; and (ii) Northern Ireland Water Alpha Limited (formerly named Kelda Water Services (Alpha) Limited) (the "OpCo"), a parent company guarantee to Dalriada Water Limited (the "ProjectCo"), previously provided by Kelda Group Limited, has novated to Northern Ireland Water Limited. The guarantee guarantees the performance by the OpCo of the OpCo's obligations and liabilities under the terms of a principal sub-contract between the ProjectCo and the OpCo. Under the terms of the project agreement, the ProjectCo earns a Unitary Charge from Northern Ireland Water Limited in return for providing the required quantity of water to Northern Ireland Water at each of the specified sites to the specified water quality standards.

14 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Northern Ireland Water Limited which is the ultimate parent company and controlling party.

The results of the Company are consolidated in the financial statements of Northern Ireland Water Limited, incorporated in Northern Ireland. No other group financial statements include the results of the Company. The consolidated financial statements of Northern Ireland Water Limited are available to the public and may be obtained from the Company Secretary at its registered address, Westland House, 40 Old Westland Road, Belfast, BT14 6TE.