

**NI Water Clear Limited**

Annual report and financial statements  
Registered number NI647548

Period from incorporation on  
21 August 2017 to 31 March 2018

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*NI Water Clear Limited*  
*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**

Danske Bank  
Donegall Square West  
Belfast  
BT1 6JS

## **Directors' report**

The directors present their annual report and the audited financial statements of the Company for the period from incorporation on 21 August 2017 to 31 March 2018.

### **Review of business and future developments**

The company was incorporated to act as a holding company for the acquisition on 20 November 2017 of Dalriada Holdings Limited and Northern Ireland Water Alpha Limited.

### **Results and dividends**

The profit for the financial period amounts to £417,000.

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 of the Company who were appointed on the incorporation of the Company and in office up to the date of signing the financial statements were:

R Larkin (appointed 21 August 2017)

S Venning (appointed 21 August 2017)

### **Political donations and expenditure**

The company made no political contributions during the accounting period to 31 March 2018.

### **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.

### **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  
24 July 2018

## **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.

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

24 July 2018

## Independent auditor's report to the members of NI Water Clear Limited

### 1 Report on the audit of the financial statements

#### *Opinion*

We have audited the financial statements of NI Water Clear Limited ('the Company') for the period from incorporation on 21 August 2017 to 31 March 2018, which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is UK Law and FRS 101 *Reduced Disclosure Framework*.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2018 and of its profit for the period then ended;
- have been properly prepared in accordance with FRS 101 *Reduced Disclosure Framework*; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

#### *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.

#### *We have nothing to report on going concern*

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

#### *Other information*

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report. Our opinion on the 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 directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the 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 regard to these matters.

## Independent auditor's report to the members of NI Water Clear Limited (continued)

### 2 Respective responsibilities and restrictions on use

#### *Responsibilities of directors for the financial statements*

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, and for such internal control as they 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 fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

#### *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

Date: 24 July 2018

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

	<i>Note</i>	<b>2018</b> <b>£000</b>
<b>Turnover</b>	2	-
Operating costs		(4)
<b>Operating loss</b>	3	(4)
Interest receivable and similar income	5	536
Interest payable and similar expenses	5	(115)
<b>Profit before taxation</b>		417
Tax on profit	6	-
<b>Profit for the financial period</b>		<u>417</u>

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

The notes on pages 10 to 17 form part of these financial statements.

**Balance Sheet**  
as at 31 March 2018

	<i>Note</i>	<b>2018</b> <b>£000</b>
<b>Fixed Assets</b>		
Investments	7	12,627
<b>Current assets</b>		
Debtors	8	16,263
Cash at bank and in hand		911
		<hr/>
		17,174
<b>Creditors:</b> amounts falling due within one year	9	(29,384)
		<hr/>
<b>Net current liabilities</b>		(12,210)
		<hr/>
<b>Total assets less current liabilities</b>		417
<b>Creditors:</b> amounts falling due after more than one year		-
<b>Provisions for liabilities</b>		
Taxation including deferred tax	6	-
		<hr/>
<b>Net assets</b>		417
		<hr/> <hr/>
<b>Capital and reserves</b>		
Called up share capital	10	-
Profit and loss account		417
		<hr/>
<b>Total shareholders' funds</b>		417
		<hr/> <hr/>

The notes on pages 10 to 17 form part of these financial statements.

The financial statements were approved by the board of directors on 24th July 2018 and were signed on its behalf by:



**R Larkin**  
Director

Company registered number: NI647548

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

	<b>Called up Share capital £000</b>	<b>Profit and loss account £000</b>	<b>Total shareholders' funds £000</b>
Balance on incorporation at 21 August 2017	-	-	-
<b>Total comprehensive income for the financial period</b>			
Profit	-	417	<b>417</b>
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	417	<b>417</b>
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2018</b>	-	417	<b>417</b>
	<hr/>	<hr/>	<hr/>

The notes on pages 10 to 17 form part of these financial statements.

## **Notes to the financial statements**

### **1 Accounting policies**

NI Water Clear Limited (the "Company") is a private company limited by shares and incorporated, domiciled and registered in the UK. The registered number is NI647548 and the registered address is Westland House, 40 Old Westland Road, Belfast BT14 6TE.

These 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 financial statements present information about the Company as an individual undertaking and not about its group.

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

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](http://www.niwater.com) or from Northern Ireland Water Limited's registered office, Westland House, 40 Old Westland Road, Belfast, BT14 6TE.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- 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.

As the consolidated financial statements of Northern Ireland Water Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company in the current period.

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

#### ***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.

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### *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.

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.

#### *Non-financial assets*

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each year at the same time.

## **Notes to the financial statements** *(continued)*

### **1 Accounting policies** *(continued)*

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash generating unit”). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units (or CGUs). Subject to an operating segment ceiling test, for the purposes of impairment goodwill testing, CGUs to which goodwill has been allocated, are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired as a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

*An impairment loss in respect of goodwill is not reversed*

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### ***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.

#### ***Taxation***

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

### **2 Turnover**

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

## Notes to the financial statements (continued)

### 3 Expenses and auditor's remuneration

Included in profit are the following:

	<b>2018</b> <b>£000</b>
Auditor's remuneration: Audit of these financial statements	<b>4</b>

### 4 Staff costs and directors' emoluments

The company did not have any employees during the period ended 31 March 2018.

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

### 5 Interest receivable and interest payable

	<b>2018</b> <b>£000</b>
Interest receivable from parent and fellow subsidiary undertakings	<b>536</b>
<b>Total interest receivable and similar income</b>	<b>536</b>
Interest payable to parent undertaking	<b>(115)</b>
<b>Total interest payable and similar expenses</b>	<b>(115)</b>

## Notes to the financial statements *(continued)*

### 6 Taxation

Total tax charge recognised in the profit and loss account

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

### Reconciliation of effective tax rate

	<b>2018</b> <b>£000</b>
Profit for the period	417
Total tax expense	-
Profit excluding tax	417
Tax using the UK corporation tax rate of 19%	79
Group relief not paid for	(79)
Total tax expense	-

### Factors affecting future tax charge

In the Finance (No 2) Act 2015 provision was made that the corporation tax rate applicable for the financial year beginning 1 April 2017 would be 19%, falling to 18% for the financial years beginning 1 April 2020 onwards.

The Finance Act 2016 provided for a further reduction in the rate to 17% for the financial years beginning 1 April 2020 onwards.

From April 2017 two new pieces of legislation were introduced which may impact the future tax charge as follows:

- A restriction on the use of brought forward losses may affect Groups that were previously loss making that become profit making, and have profits over £5m. This measure may result in cash tax being payable before all of the trading losses brought forward have been utilised.
- 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 *(continued)*

### 7 Fixed assets Investments

	<b>Shares in group undertakings £000</b>
<b>Cost</b>	
At 21 August 2017	-
Additions	12,627
At 31 March 2018	12,627
<b>Net book value at 31 March 2018</b>	<b>12,627</b>

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

	<b>Registered Office</b>	<b>Principal activity</b>	<b>Class of share held</b>	<b>Percentage of shares held</b>
Northern Ireland Water Alpha Limited*	Westland House 40 Old Westland Road, Belfast	Operating treatment works	Ordinary	100%
Dalriada Holdings Limited	Westland House 40 Old Westland Road, Belfast.	Dormant	Ordinary	100%
Dalriada Water Limited**	9 Dunore Road Aldergrove Crumlin Co. Antrim BT29 4DZ	Construction and financing of clean water treatment facilities	Ordinary	100%

\*formerly known as Kelda Water Services (Alpha) Limited.

The shares in Northern Ireland Water Alpha Limited and Dalriada Holdings Limited were purchased by the Company on 20 November 2017.

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

## Notes to the financial statements *(continued)*

### 8 Debtors

	<b>2018</b> <b>£000</b>
Loan to group undertakings	<b>12,695</b>
Amounts owed by group undertakings	<b>3,568</b>
	<b>16,263</b>
	<b>16,263</b>
Due within one year	<b>4,057</b>
Due after more than one year	<b>12,206</b>
	<b>12,206</b>

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.

Amounts owed by group undertakings relate to intercompany trading balances and are unsecured, interest free and repayable on demand.

### 9 Creditors: amounts falling due within one year

	<b>2018</b> <b>£000</b>
Loan from group undertakings	<b>29,312</b>
Amounts owed to group undertakings	<b>68</b>
Accruals and deferred income	<b>4</b>
	<b>29,384</b>
	<b>29,384</b>

The loan from group undertakings is in sterling, unsecured and repayable on demand with interest payable at 3 month Libor plus 0.4% per annum. Interest and capital is repayable on maturity.

The amounts owed to group undertakings (which relate to intercompany trading balances) are unsecured, interest free and repayable on demand.

## Notes to the financial statements *(continued)*

### 10 Capital and reserves

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

### 11 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.

### 12 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.