

Registration number: 07476767

Anglian Water (Osprey) Financing Plc

Annual Report and Financial Statements

for the Year Ended 31 March 2015

Anglian Water (Osprey) Financing Plc
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Anglian Water (Osprey) Financing Plc
Company Information

Directors	Mr S R J Longhurst Mr P Simpson Mr S Billingham
Company secretary	Mrs C T Russell
Registered office	Lancaster House Lancaster Way Ermine Business Park Huntingdon Cambridgeshire PE29 6YJ
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Birmingham

Anglian Water (Osprey) Financing Plc
Strategic Report for the Year Ended 31 March 2015

The directors present their strategic report for the year ended 31 March 2015.

Business review

Fair review of the business

The company's primary purpose is to issue and hold debt listed on the London Stock Exchange and other borrowing used to fund the wider Anglian Water Group. The company made a profit for the financial year of £79,000 (2014: £77,000).

It is anticipated that the company will operate in the future consistent with its performance this financial year.

The company's net assets at 31 March 2015 were £246,000 (2014: £167,000).

In March 2015 the company entered into a new revolving credit facility and utilised £100m of this facility to repay the facility that the company previously had in existence.


It received interest on the loans made to its parent and paid interest on its external borrowings.

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development or performance of the business.

Principal risks and uncertainties

The principal risks to the company relate to the financial instruments that the company is party to, the risks and mitigations are detailed within the Directors' report.

Approved by the Board on 17.7.15 and signed on its behalf by:


.....
Mr S R J Longhurst
Director

Anglian Water (Osprey) Financing Plc
Directors' Report for the Year Ended 31 March 2015

The directors present their report and the audited financial statements for the year ended 31 March 2015.

Directors of the company

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

Mr S R J Longhurst

Sir A A Montague CBE (resigned 22 January 2015)

Mr P Simpson

Mr R Napier (appointed 22 January 2015 and resigned 31 March 2015)

Mr S Billingham (appointed 1 April 2015)

Financial instruments

Objectives and policies

The company's principal financial instruments comprise external borrowings of a term loan and listed bonds and inter company loans receivable. The main purpose of these instruments is to raise and provide finance for the parent's operations. The company does not enter into any form of derivative financial instruments.

Financial risks faced by the company include funding, interest rate and contractual risks. The board regularly reviews these risks and has approved written policies covering treasury strategy and the use of financial instruments to manage risks.

A Finance, Treasury and Energy Policy Group (FTEPG) of the Anglian Water Group, comprising the Managing Director of Finance and Non Regulated Business, the Group Treasurer, together with several other Directors and senior managers, meets monthly with the specific remit of reviewing treasury matters.

The company aims to meet its funding requirements primarily through public bond markets and bank loans.

To ensure continued effectiveness and relevance, the board carries out a formal annual review of the treasury organisation and reporting.

Borrowings raised by the company are guaranteed by Osprey Acquisitions Limited. The Anglian Water Group's treasury function monitors compliance against all financial obligations and it is the group's policy to manage the balance sheet so as to ensure operation within covenant restrictions.

Interest risk and liquidity risk

Interest rate risk

The company has a "back-to-back" arrangement with Osprey Acquisitions Limited whereby all borrowings are replicated on identical terms. Any exposure to interest rate risk is passed onto Osprey Acquisitions Limited, hence, this arrangement eliminates interest rate risk and results in a net neutral impact on the profit and loss account.

Liquidity risk

The company's objective is to maintain flexibility, diversification and continuity of funding through access to different markets and debt instruments.

Dividends

No dividend was paid or is proposed in this or the prior year.

Anglian Water (Osprey) Financing Plc
Directors' Report for the Year Ended 31 March 2015

..... *continued*

Political and charitable donations

There have been no political or charitable donations (2014-£Nil).

Subsequent events

In April 2015 the company carried out a tender and new issue exercise whereby it repurchased £110,180,000 of the £350m 7.0% bond and issued a new £210m 5.0% 2023 bond. The net excess proceeds of c. £100m were used to repay the £100m drawing on the Osprey £125m revolving credit facility. The £125m facility is now fully available for future drawdowns.

Risk management and internal control

The Board is responsible for the Company's systems of internal control and risk management and considers this to be fundamental to the achievement of the Company's strategic objectives. The Board's policy is to have systems in place that optimise the Company's ability to manage risk in an effective and appropriate manner. Any areas of concern are reported to the next Board meeting and/or the Group's Audit Committee meeting as appropriate. The Audit Committee has assisted the Board in formally reviewing the operation and effectiveness of the Group's system of internal controls and risk management on an annual basis.

The Company also has in place systems and procedures for exercising control and managing risk in respect of financial reporting and the preparation of consolidated accounts.

These include:

- The formulation and deployment of Company accounting policies and procedures
- Policies governing the maintenance of accounting records, transaction reporting and key financial control procedures
- Monthly operational review meetings, which include, as necessary, reviews of internal financial reporting issues and financial control monitoring
- Ongoing training and development of appropriately qualified and experienced financial reporting personnel.

The Company's systems and procedures are designed to identify, manage and, where practicable, reduce and mitigate the effects of the risk of failure to achieve business objectives. They are not designed to eliminate such risk, recognising that any system can only provide reasonable and not absolute assurance against material misstatement or loss. The Board confirms that the systems and procedures providing an ongoing process for identifying and managing the principal risks and uncertainties faced by the Group have been in place for the year ended 31 March 2015 and up to the date of the approval of the Annual Report, which is in accordance with the guidance on internal control published in October 2005 (the Turnbull Guidance). For the 2014/15 financial year the Group's internal and financial controls included the following:

- An internal audit programme, outsourced to KPMG. The internal auditors carry out a comprehensive review of internal controls and formally report their findings and recommendations to the Audit Committee.
- An annual process where business heads confirm the adequacy of the internal controls for their area of responsibility through a formal Statement of Responsibility. The responses are reviewed by the Audit Committee.
- A formal controls questionnaire completed by the business twice each year and reviewed by Group Internal Audit (GIA), with the conclusions being highlighted to the Group's Audit Committee.
- A Risk and Compliance Monitoring Committee that has oversight of the risk management activity that takes place throughout the business. The Company maintains a risk register, managed by the Risk and Compliance Monitoring Committee, which is reviewed by the Group's Audit Committee at each Committee meeting. Risks are assessed by reference to impact and likelihood of crystallisation. This process is continuous and has been in place for the year under review. The process is regularly reviewed by the Board in accordance with relevant guidance.

Anglian Water (Osprey) Financing Plc
Directors' Report for the Year Ended 31 March 2015

..... *continued*

- An annual review of the maturity of the financial controls, which was conducted by the Company's external Auditors. The findings of the most recent review were reported to the Group's Audit Committee in March 2015. No significant failings or weaknesses were identified from this review.

Following the introduction of the 2015 Code, KPMG was commissioned to carry out a review of the current risk management structures. This review was considered by the Group's Audit Committee at its meeting on 20 May 2015.

Directors' liabilities

The company maintains directors' and officers' liability insurance which gives appropriate cover for legal action brought against its directors. The company has also provided an indemnity for its directors, which is a qualifying third party indemnity provision for the purpose of section 234 ((2) – (6)) of the Companies Act 2006.

Disclosure of information to the auditors

In the case of each of the persons who are directors at the time when the report is approved: Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Reappointment of auditors

PricewaterhouseCoopers LLP has indicated its willingness to continue in office and a resolution proposing its reappointment will be put to the Annual General Meeting.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, 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 the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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;
- 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.

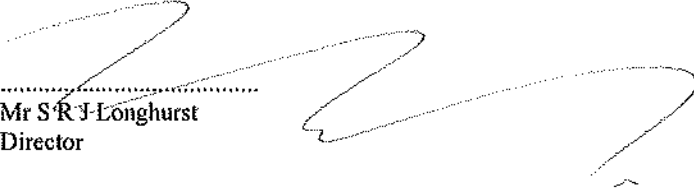
Anglian Water (Osprey) Financing Plc
Directors' Report for the Year Ended 31 March 2015

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The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board on 17.7.15 and signed on its behalf by:

.....
Mr S R J Longhurst
Director



Independent Auditor's Report to the Members of Anglian Water (Osprey) Financing Plc

Report on the financial statements

Our opinion

In our opinion, Anglian Water (Osprey) Financing Plc's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

Anglian Water (Osprey) Financing Plc's financial statements, comprise:

- Balance sheet as at 31 March 2015;
- Profit and Loss Account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

**Independent Auditor's Report to the Members of
Anglian Water (Osprey) Financing Plc**

..... *continued*

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities (set out on pages 5-6), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

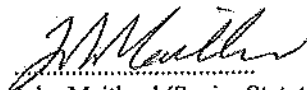
This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK & Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give a reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



John Maitland (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors

Birmingham

Date: 17 July 2015

Anglian Water (Osprey) Financing Plc
Profit and Loss Account for the Year Ended 31 March 2015

	Note	2015 £ 000	2014 £ 000
Other operating income		100	100
Operating profit	2	100	100
Interest receivable from fellow group undertaking		40,245	29,242
Interest payable and similar charges	4	(40,245)	(29,242)
Profit on ordinary activities before taxation		100	100
Tax on profit on ordinary activities	5	(21)	(23)
Profit for the financial year		<u>79</u>	<u>77</u>

All results derive wholly from continuing operations.

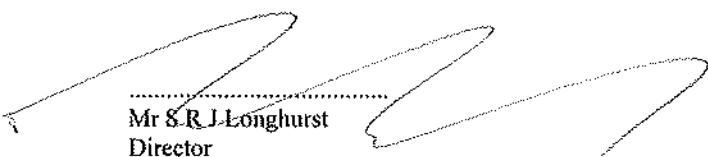
The company has no recognised gains or losses for the year other than the results above and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalent.

Anglian Water (Osprey) Financing Plc
(Registration number: 07476767)
Balance Sheet at 31 March 2015

	Note	2015 £ 000	2014 £ 000
Fixed assets			
Investments	6	<u>450,000</u>	<u>450,000</u>
Current assets			
Debtors	7	15,160	4,164
Cash at bank and in hand		<u>268</u>	<u>245</u>
		15,428	4,409
Creditors: Amounts falling due within one year	8	<u>(15,182)</u>	<u>(4,242)</u>
Net current assets		<u>246</u>	<u>167</u>
Total assets less current liabilities		450,246	450,167
Creditors: Amounts falling due after more than one year	9	<u>(450,000)</u>	<u>(450,000)</u>
Net assets		<u>246</u>	<u>167</u>
Capital and reserves			
Called up share capital	11	13	13
Profit and loss account	13	<u>233</u>	<u>154</u>
Total shareholder's funds	12	<u>246</u>	<u>167</u>

Approved and authorised for issue by the Board on 17.7.15 and signed on its behalf by:



 Mr S.R.J. Longhurst
 Director

Anglian Water (Osprey) Financing Plc
Notes to the Financial Statements for the Year Ended 31 March 2015

1 Accounting policies

Basis of preparation

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom (UK GAAP) and the Companies Act 2006.

The following principal accounting policies and estimation techniques have been applied to the financial statements, on a consistent basis with the prior period.

Cash flow statement and related party disclosures

The company is a wholly-owned subsidiary of Osprey Acquisitions Limited and is included in the consolidated financial statements of Osprey Acquisitions Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996). The company is also exempt under the terms of FRS8 from disclosing related-party transactions with entities that are part of the Osprey Acquisitions Limited group or investees of the Osprey Acquisitions Limited group.

Fixed asset investments

Investments held as fixed assets are stated at cost less any provision for impairment.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. Borrowings are stated at the fair value of the consideration received after deduction of transaction costs. Transaction costs and finance charges are charged to the profit and loss account at constant yield basis over the term of the borrowings. Transaction costs are classified as other financial liabilities and are measured at amortised cost.

Taxation

The company's tax charge is based on the profit for the year and tax rates in force at the balance sheet date. Estimation of the tax charge involves an assessment of the potential tax treatment of certain items which will only be resolved once finally agreed with the tax authorities.

2 Operating profit

Other operating income relates to management fees charged to other group companies. The fees for audit services were borne by another group undertaking with no recharge to the company.

3 Directors' emoluments and employee information

None of the directors received any emoluments for their services to the company in this or the preceding year.

There were no employees of the company in this or the preceding year.

Anglian Water (Osprey) Financing Plc

Notes to the Financial Statements for the Year Ended 31 March 2015

..... *continued*

4 Interest payable and similar charges

	2015 £ 000	2014 £ 000
Interest on bank borrowings	4,745	4,742
Interest on other loans	35,500	24,500
	<u>40,245</u>	<u>29,242</u>

5 Taxation

Tax on profit on ordinary activities

	2015 £ 000	2014 £ 000
Current tax		
Corporation tax charge	<u>21</u>	<u>23</u>

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is the same as (2014 - same as) the standard rate of corporation tax in the UK of 21% (2014 - 23%).

	2015 £ 000	2014 £ 000
Profit on ordinary activities before taxation	<u>100</u>	<u>100</u>
Corporation tax at standard rate	<u>21</u>	<u>23</u>
Total current tax	<u>21</u>	<u>23</u>

Factors that may affect future tax charges

The rate of UK corporation tax will reduce from 21% to 20% from 1 April 2015. The company does not have any deferred tax balance recognised or otherwise.

Anglian Water (Osprey) Financing Plc
Notes to the Financial Statements for the Year Ended 31 March 2015

..... *continued*

6 Investments held as fixed assets

	2015	2014
	£ 000	£ 000
Loans to group undertakings and participating interests	<u>450,000</u>	<u>450,000</u>

The directors are of the opinion that the value of the investment is supported by the underlying assets.

Loans to group undertakings and participating interests

	Immediate Parent	Total
	£ 000	£ 000
Cost and Net Book Value At 1 April 2014	<u>450,000</u>	<u>450,000</u>
Cost and Net Book Value At 31 March 2015	<u>450,000</u>	<u>450,000</u>

Investments represent loans to the immediate parent undertaking, Osprey Acquisitions Limited, and reflect the "back-to-back" arrangements with the company and Osprey Acquisitions Limited.

Of the investment balance, £350,000,000 (2014: £350,000,000) is interest bearing at a fixed rate of 7% and has a repayment date of 2018; the remaining £100,000,000 (2014: £100,000,000) loan is interest bearing at LIBOR plus 2.75% per annum (2014: LIBOR plus 4.25% per annum) and has a repayment date of March 2020 (2014: November 2015).

Amounts receivable from group companies are classified as loans and receivables and are measured at amortised cost.

The estimated fair value of the receivable is £489,228,000 (2014: £474,097,000) based on the market price of the liability which has the same terms.

7 Debtors

	2015	2014
	£ 000	£ 000
Amounts owed by group undertakings	<u>15,160</u>	<u>4,164</u>
	<u>15,160</u>	<u>4,164</u>

Amounts owed by group undertakings represent interest outstanding on back-to-back loans.

Anglian Water (Osprey) Financing Plc

Notes to the Financial Statements for the Year Ended 31 March 2015

..... *continued*

8 Creditors: Amounts falling due within one year

	2015 £ 000	2014 £ 000
Corporation tax	21	78
Other creditors	4,160	4,164
Accruals and deferred income	11,001	-
	<u>15,182</u>	<u>4,242</u>

Accruals and deferred income includes an £11,000k (2014: £Nil) accrual in relation to the premium payable by the company for the £110.2m tender offer undertaken during the year on the £350.0m 7.0% fixed rate 2018 bond, which concluded in April 2015.

9 Creditors: Amounts falling due after more than one year

	2015 £ 000	2014 £ 000
Bank loans and overdrafts	100,000	100,000
Other loans	350,000	350,000
	<u>450,000</u>	<u>450,000</u>

Bank loan is a term loan repayable in March 2020 (2014: November 2015) which bears a variable rate of interest at LIBOR + 2.75% (2014: LIBOR + 4.25%).

Other loans comprise a listed bond which is secured and is interest bearing at a fixed rate of 7% per annum and has a repayment date of 2018.

10 Financial instruments

Loans and other borrowings

	31 March 2015 £ 000	31 March 2014 £ 000
£100,000,000 LIBOR + 2.75 % 2020 (2014: £100,000,000 LIBOR + 4.25 % 2015) and £350,000,000 7.0% fixed rate 2018 (a) (b)	465,160	454,164
Less amounts included in creditors due within one year	(15,160)	(4,164)
Loans and other borrowings falling due after more than one year	<u>450,000</u>	<u>450,000</u>

Anglian Water (Osprey) Financing Plc

Notes to the Financial Statements for the Year Ended 31 March 2015

..... *continued*

a) A security agreement dated 31 January 2011 between Anglian Water (Osprey) Financing Plc, Osprey Acquisitions Limited and Deutsche Trustee Company Limited (as agent and trustee for itself and each of the Finance Parties to the Guaranteed Secured Medium term Note Programme) creates a fixed and floating charge over the assets of Anglian Water (Osprey) Financing Plc and Osprey Acquisitions Limited. In addition there is a fixed charge over the issued share capital of Anglian Water (Osprey) Financing Plc and AWG Parent Co Limited. At 31 March 2015 this charge applies to £450,000,000 of the debt listed above.

b) The £100m bank loan instrument is exposed to cash flow interest rate risk.

Debt issue costs are excluded from the amounts disclosed and are borne by the parent company, Osprey Acquisitions Limited.

Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below

	31 March	31 March
	2015	2014
	Other	Other
	financial	financial
	assets	assets
	£ 000	£ 000
Assets per the balance sheet		
Cash at bank and in hand	268	245
Current asset receivable - interest due on loan to immediate parent undertaking	15,160	4,164
Investments - loan to immediate parent undertaking	450,000	450,000
Total	465,428	454,409

	31 March	31 March
	2015	2014
	Other	Other
	financial	financial
	liabilities	liabilities
	£ 000	£ 000
Liabilities per the balance sheet		
Borrowings	(465,160)	(454,164)
Total	(465,160)	(454,164)

Anglian Water (Osprey) Financing Plc

Notes to the Financial Statements for the Year Ended 31 March 2015

..... *continued*

The effective interest rates at the balance sheet date were £350 million of borrowings at a fixed rate of 7.0% and £100 million at a floating rate of LIBOR + 2.75 %.

There is no credit risk external to the group as the investment loan is to the company's immediate parent undertaking.

In accordance with FRS 26, 'Financial instruments: Measurement', Anglian Water (Osprey) Financing Plc has reviewed all contracts for embedded derivatives that are required to be separately accounted for if they do not meet certain requirements set out in the standard. There were no amounts recorded in the profit and loss account for gains and losses on embedded derivatives in the year ended 31 March 2015 (2014: £nil).

Anglian Water (Osprey) Financing Plc

Notes to the Financial Statements for the Year Ended 31 March 2015

..... *continued*

Fair value of financial assets and liabilities

	2015		2014	
	Book value	Fair value	Book value	Fair value
	£ 000	£ 000	£ 000	£ 000
Cash at bank and in hand	268	268	245	245
Short term borrowings	(15,160)	(15,160)	(4,164)	(4,164)
Long term borrowing	(450,000)	(474,068)	(450,000)	(469,933)
	<u>(464,892)</u>	<u>(488,960)</u>	<u>(453,919)</u>	<u>(473,852)</u>
Fixed asset investments	<u>465,160</u>	<u>489,228</u>	<u>454,164</u>	<u>474,097</u>

The estimated fair value of the listed borrowings is based on a period end mid-market quoted price.

Maturity of financial liabilities

	2015		2014	
	Debt		Debt	
	£ 000		£ 000	
Less than one year	15,160		4,164	
Between 2 and 5 years	450,000		450,000	
Total	<u>465,160</u>		<u>454,164</u>	

Borrowing facilities

The company has negotiated a £100m term loan facility, which is fully drawn, and a £25m revolving credit facility, which is un-drawn, provided by Royal Bank of Scotland Plc and syndicated to certain other banks.

The table below analyses the company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows including future interest payable.

	Less than 1 year	Between 1 and 5 year
At 31 March 2015 (£ 000)		
Borrowing	<u>(26,675)</u>	<u>(511,977)</u>
At 31 March 2014 (£ 000)		
Borrowing	<u>(27,700)</u>	<u>(528,200)</u>

Anglian Water (Osprey) Financing Plc

Notes to the Financial Statements for the Year Ended 31 March 2015

..... *continued*

Debt Refinancing

In April 2015 the company carried out a tender and new issue exercise whereby it repurchased £110,180,000 of the £350m 7.0% 2018 bond and issued a new £210m 5.0% 2023 bond. The net excess proceeds of c. £100m were used to repay the £100m drawing on the Osprey £125m revolving credit facility. The £125m facility is now fully available for a future drawdown.

11 Share capital

Allotted, called up and part paid shares

	2015		2014	
	No.	£	No.	£
Ordinary shares of £1 each	<u>50,000</u>	<u>12,501</u>	<u>50,000</u>	<u>12,501</u>

12 Reconciliation of movement in shareholder's funds

	2015 £ 000	2014 £ 000
Profit for the financial year	<u>79</u>	<u>77</u>
Net addition to shareholder's funds	79	77
Shareholder's funds at 1 April	<u>167</u>	<u>90</u>
Shareholder's funds at 31 March	<u>246</u>	<u>167</u>

13 Reserves

	Profit and loss account £ 000	Total £ 000
At 1 April 2014	154	154
Profit for the financial year	<u>79</u>	<u>79</u>
At 31 March 2015	<u>233</u>	<u>233</u>

14 Related party transactions

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group headed by Osprey Acquisitions Limited.

Anglian Water (Osprey) Financing Plc

Notes to the Financial Statements for the Year Ended 31 March 2015

..... *continued*

15 Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Osprey Acquisitions Limited, a company registered in England.

Osprey Acquisitions Limited is the parent company of the smallest group to consolidate the financial statements of the company, copies of which can be obtained from the Company Secretary, Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire PE29 6YJ.

Anglian Water Group Limited is the parent company of the largest group to consolidate the financial statements of the company, copies of which can be obtained from the Company Secretary, Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire PE29 6YJ.

The Directors consider Anglian Water Group Limited, a company registered in Jersey, to be the ultimate parent undertaking and controlling party. Anglian Water Group Limited is itself owned and controlled by a consortium of investors consisting of the Canada Pension Plan Investment Board, Colonial First State Global Asset Management, IFM Investors, and 3i.