

Registration number: 04330144

Anglian Water Services Holdings Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2018

Anglian Water Services Holdings Limited

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Anglian Water Services Holdings Limited

Company Information

Chairman Stephen Billingham

Directors Stephen Billingham
Polly Courtice
Steve Good
John Hirst
Scott Longhurst
Chris Newsome
Peter Simpson
Jean Spencer
Paul Whittaker

Company secretary Claire Russell

Registered office Lancaster House
Lancaster Way
Ermine Business Park
Huntingdon
Cambridgeshire
PE29 6XU

Auditors Deloitte LLP
Statutory Auditors
2 New Street Square
London
EC4A 3BZ

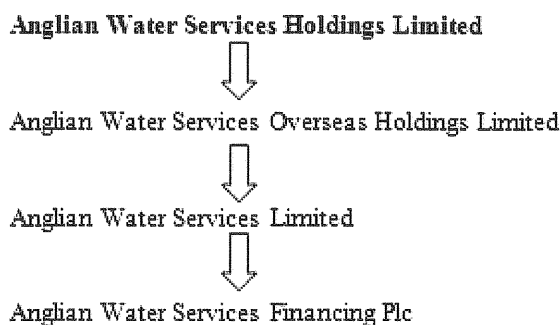
Anglian Water Services Holdings Limited

Strategic Report for the Year Ended 31 March 2018

The directors present their strategic report for the year ended 31 March 2018.

Fair review of the business

The principal activity of the company is to hold the shares of Anglian Water Services Overseas Holdings Limited and it forms part of the group of four companies referred to as the Anglian Water Services Financing Group (“AWSFG”) as shown below.



The company is a wholly owned subsidiary of AWG Group Limited and was put in place in 2002, when Anglian Water Services Limited’s covenanted and ring-fenced debt structure was established. The AWSFG provides protection for the customers of the principal trading company in the group, Anglian Water Services Limited, and bondholders of its subsidiary, Anglian Water Services Financing Plc, from risks associated with other non-regulated Anglian Water Group companies outside of the ring-fence.

The profit and loss account on page 10 shows the company’s results for the year. For the financial year ended 31 March 2018 the company made a profit on ordinary activities before taxation of £1,750.9 million (2017: £128.0 million). Dividends of £148.3 million (2017: £128.0 million) were paid during the financial year.

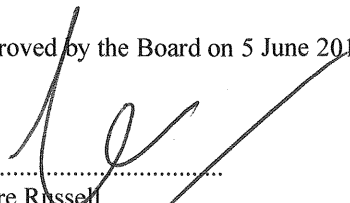
Other than settling and paying interest on intra-group loans, and receiving and paying dividends, the company does not trade and therefore the directors are of the opinion that key performance indicators are not relevant for an understanding of the company’s performance.

On 29 March 2018 the company settled its intercompany loan from Anglian Water Services Limited by paying £1,602.6 million. This payment was funded by the receipt of a dividend for the same value from its subsidiary undertaking.

Principal risks and uncertainties

From the perspective of the company, principal risks and uncertainties are integrated with the principal risks and uncertainties of the AWSFG, which include those of the company, are discussed in the Anglian Water Services Limited consolidated group annual report and financial statements which do not form part of this report.

Approved by the Board on 5 June 2018 and signed on its behalf by:


.....
Claire Russell
Company secretary

Anglian Water Services Holdings Limited

Directors' Report for the Year Ended 31 March 2018

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

Directors of the company

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

Stephen Billingham - Chairman

Polly Courtice

Steve Good

John Hirst

Scott Longhurst

Chris Newsome

Peter Simpson

Jean Spencer

Paul Whittaker

Dividends received

Dividends received during the year are equal to the dividends paid detailed in the paragraph below, with the addition of the following:

A dividend of £191.8 million (2017: £192.3 million) received in order to service the interest payable to Anglian Water Services Limited on the inter-company loan of £1,602.6 million (2017: £1,602.6 million). In addition, the prior year dividend committed of £0.5 million was received in April 2017.

On 29 March 2018, following our commitment to simplify our corporate structure, a restructuring dividend of £1,602.6m (2017: £nil) was paid by Anglian Water Services Limited which flowed up to Anglian Water Services Holdings Limited (AWSH), in order for AWSH to repay the inter-company loan mentioned above. The funds flowed back to Anglian Water Services Limited on the same day when AWSH settled the loan.

Dividends paid

During the year the following dividends were paid:

Dividends available for distribution to investors in the ultimate parent company

	2018	2017
	£ 000	£ 000
Previous year final dividend	61,100	100,000
Current year interim dividend	25,000	28,000
	<u>86,100</u>	<u>128,000</u>

Anglian Water Services Holdings Limited

Directors' Report for the Year Ended 31 March 2018

Dividends not available for distribution to investors in the ultimate parent company

	2018	2017
	£ 000	-
Special dividend paid to fund the transfer of the non-household retail business from Anglian Water to Anglian Water Business	62,171	-
	<u>62,171</u>	<u>-</u>

On 3 April 2017 the company paid a special dividend of £62.2 million (2017: nil) to partially fund the statutory transfer of the non-household retail business from Anglian Water Services Limited to Anglian Water Business (National) Limited. The funds immediately flowed back to Anglian Water Services Limited in the form of purchase consideration paid by Anglian Water Business (National) Limited for the transfer of the non-household business and its related assets and liabilities.

The Directors have proposed a final dividend for the year ended 31 March 2018 of £34.0 million per share, which is a total of £68.0 million. This distribution has not been accounted for within the 2018 financial statements as it was proposed and approved after the year end.

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. This was in force for the full year and up to the date of signing.

Financial instruments

Objectives and policies

The company does not operate externally to the Anglian Water Services Financing Group ("AWSFG") and therefore its financial risks are governed by AWSFG's policies and procedures. These policies and procedures are discussed within the Anglian Water Services Limited consolidated group financial statements.

Price risk, credit risk, liquidity risk and cash flow risk

In order to simplify the corporate group structure, the intra-company loan on £1,602.6 million due to Anglian Water Services Limited was repaid during the year.

Future developments

The directors expect the activities as detailed in the Strategic Report to continue for the foreseeable future without material change.

Disclosure of information to the auditors

Each director has taken all the 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 of which they know the company's auditors are unaware.

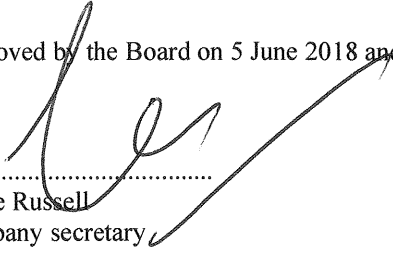
Appointment of auditors

Deloitte LLP have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed to the Board.

Anglian Water Services Holdings Limited

Directors' Report for the Year Ended 31 March 2018

Approved by the Board on 5 June 2018 and signed on its behalf by:


.....
Claire Russell
Company secretary

Anglian Water Services Holdings Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report and 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Anglian Water Services Holdings Limited

Independent Auditor's Report to the Members of Anglian Water Services Holdings Limited

Opinion

In our opinion the 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 year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Anglian Water Services Holdings Limited (the 'Company') for the year ended 31 March 2018, which comprise:

- the Profit and Loss Account,
- the Balance Sheet,
- the Statement of Changes in Equity,
- the Statement of Cash Flows; and
- the related notes 1 to 16

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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.

Conclusions relating to going concern

We are required by the ISAs (UK) to report in respect of the the following matters where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

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

Anglian Water Services Holdings Limited

Independent Auditor's Report to the Members of Anglian Water Services Holdings Limited

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

We have nothing to report in respect of these matters.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on other legal and regulatory requirements

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

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

Anglian Water Services Holdings Limited

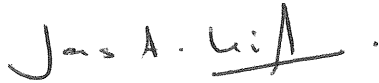
Independent Auditor's Report to the Members of Anglian Water Services Holdings Limited

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.



.....
James Leigh (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

5 June 2018

Anglian Water Services Holdings Limited

Profit and Loss Account for the Year Ended 31 March 2018

	Note	2018 £ 000	2017 £ 000
Turnover		-	-
Operating profit/(loss)		-	-
Income from shares in group undertakings	12	1,942,667	320,313
Interest payable and similar charges	3	<u>(191,786)</u>	<u>(192,313)</u>
Profit before tax		1,750,881	128,000
Tax on profit on ordinary activities	6	<u>-</u>	<u>-</u>
Profit for the financial year		<u>1,750,881</u>	<u>128,000</u>

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

The above results were derived from continuing operations.

Anglian Water Services Holdings Limited

(Registration number: 04330144)
Balance Sheet as at 31 March 2018

	Note	2018 £ 000	2017 £ 000
Fixed assets			
Investments	7	1,609,093	1,609,093
Current assets			
Trade and other receivables	8	-	527
Creditors: Amounts falling due within one year			
Trade and other payables	11	<u>-</u>	<u>(527)</u>
Net current assets/(liabilities)		<u>-</u>	<u>-</u>
Creditors: Amounts falling due after more than one year			
Loans and borrowings	10	<u>-</u>	<u>(1,602,610)</u>
Net assets		<u>1,609,093</u>	<u>6,483</u>
Capital and reserves			
Retained earnings		<u>1,609,093</u>	<u>6,483</u>
Shareholders' funds		<u>1,609,093</u>	<u>6,483</u>

Approved by the Board on 5 June 2018 and signed on its behalf by:

.....
 Scott Longhurst
 Director

Peter Simpson

 Peter Simpson
 Director

Anglian Water Services Holdings Limited

Statement of Changes in Equity for the Year Ended 31 March 2018

	Share capital £ 000	Retained earnings £ 000	Total equity £ 000
At 1 April 2017	-	6,483	6,483
Profit for the year	-	1,750,881	1,750,881
Total comprehensive income	-	1,750,881	1,750,881
Dividends:			
- Available for distribution to investors in the ultimate parent company ¹³	-	(86,100)	(86,100)
- Not available for distribution to investors in the ultimate parent company ¹³	-	(62,171)	(62,171)
At 31 March 2018	-	1,609,093	1,609,093

	Share capital £ 000	Retained earnings £ 000	Total equity £ 000
At 1 April 2016	-	6,483	6,483
Profit for the year	-	128,000	128,000
Total comprehensive income	-	128,000	128,000
Dividends available for distribution to investors in the ultimate parent company ¹³	-	(128,000)	(128,000)
At 31 March 2017	-	6,483	6,483

¹ Dividends described as not available for distribution to investors in the ultimate parent company refer to the special dividend paid to Anglian Water Services Limited to partially fund the statutory transfer of the non-household retail business to Anglian Water Business (National) Limited.

Anglian Water Services Holdings Limited

Statement of Cash Flows for the Year Ended 31 March 2018

	Note	2018 £ 000	2017 £ 000
Cash flows from operating activities			
Profit for the financial year		1,750,881	128,000
Adjustments for:			
Finance income		(1,942,667)	(320,313)
Finance costs		<u>191,786</u>	<u>192,313</u>
Net cash flow from operating activities		<u>-</u>	<u>-</u>
Cash flows from investing activities			
Dividends received:			
Dividends available for distribution to investors in the ultimate parent company		86,100	128,000
Not available for distribution to investors in the ultimate parent company ¹ :			
- One off restructuring dividend		1,602,610	-
- Other dividends		<u>254,484</u>	<u>192,313</u>
Net cash flows from investing activities		<u>1,943,194</u>	<u>320,313</u>
Cash flows from financing activities			
Interest paid		(192,313)	(192,313)
Repayment of inter-group loan	10	(1,602,610)	-
Dividends paid:			
Available for distribution to investors in the ultimate parent company	13	(86,100)	(128,000)
Not available for distribution to investors in the ultimate parent company ¹	13	<u>(62,171)</u>	<u>-</u>
Net cash flows from financing activities		<u>(1,943,194)</u>	<u>(320,313)</u>
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at 1 April		<u>-</u>	<u>-</u>
Cash and cash equivalents at 31 March		<u><u>-</u></u>	<u><u>-</u></u>

¹ Dividends described as not available for distribution to investors in the ultimate parent company refer to the special dividend received from Anglian Water Services Overseas Holdings Limited and subsequently paid to Anglian Water Services Limited to partially fund the statutory transfer of the non-household retail business to Anglian Water Business (National) Limited.

The notes on pages 14 to 21 form an integral part of these financial statements.

Anglian Water Services Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

1 General information

The company is a private company limited by share capital, incorporated and domiciled in UK.

The address of its registered office is:

Lancaster House
Lancaster Way
Ermine Business Park
Huntingdon
Cambridgeshire
PE29 6XU

These financial statements were authorised for issue by the Board on 5 June 2018.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006 (the Act). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The company is a qualifying entity for the purposes of FRS 101. Note 15 gives details of the Company's parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

FRS 101 sets out amendments to EU-adopted IFRS that are necessary to achieve compliance with the Act and related Regulations.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Given the straight forward nature of the company no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, have been identified by management.

The financial statements are prepared in accordance with the historical cost convention and have been prepared on the going concern basis.

Anglian Water Services Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

Summary of disclosure exemptions

FRS 101 Summary of disclosure exemptions

Paragraph 16 of IAS 1, "Presentation of financial statements" (statement of compliance with all IFRS).

Paragraph 30-31 of IAS 8 "Accounting policies, changes in accounting estimates and errors" (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).

The requirements of IAS 24 "Related party Disclosures" to disclose related party transactions entered into between two or more members of a group.

Exemption from preparing group financial statements

The financial statements contain information about Anglian Water Services Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Osprey Acquisitions Limited, a company incorporated in England.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 April 2017 have had a material effect on the financial statements.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the company's functional currency.

Investment in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.

Taxation

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income.

Anglian Water Services Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Dividends

Dividends are recognised as a liability in the period in which they are approved. Interim dividends are recognised in the period in which they are paid or when the company has a constructive or legal commitment to pay the dividend.

3 Interest payable and similar charges

	2018 £ 000	2017 £ 000
Interest on loans from group undertakings ¹	<u>191,786</u>	<u>192,313</u>

¹The interest rate on the loan is 12%

4 Directors' remuneration

The directors received no remuneration for the services to the company (2017: £nil). The directors are remunerated through another group company and no recharges are made.

There were no employees of the company during this or the previous financial year.

5 Auditors' remuneration

The auditors' remuneration for audit services to the company of £2,000 (2017: £2,000) is borne by Anglian Water Services Limited and not recharged to the company.

Anglian Water Services Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

6 Taxation

Tax charged/(credited) in the income statement

2018	2017
£ 000	£ 000

Current taxation

UK Corporation tax at 19% (2017: 20%)

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

The differences are reconciled below:

2018	2017
£ 000	£ 000

Profit before tax

1,750,881	128,000
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Corporation tax at standard rate

332,667	25,600
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Dividends receivable not being taxable

(369,107)	(64,063)
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Tax losses surrendered to Anglian Water Services Limited not paid for

36,440	38,463
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Total tax charge/(credit)

-	-
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The notes on pages 14 to 21 form an integral part of these financial statements.

Anglian Water Services Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

7 Investments

Subsidiaries	£ 000
Cost	
At 1 March 2017 and 31 March 2018	<u>1,609,093</u>
Provision	
At 31 March 2017 and 31 March 2018	<u>-</u>
Carrying amount	
At 31 March 2018	<u><u>1,609,093</u></u>
At 31 March 2017	<u><u>1,609,093</u></u>

Details of the subsidiaries as at 31 March 2018 are as follows:

Name of subsidiary	Principal activity	Registered office	Holding 2018	Holding 2017
Anglian Water Services Overseas Holdings Ltd *	Holding Company	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	100%	100%
Anglian Water Services Ltd **	Water and Wastewater Services	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU	0%	0%
Anglian Water Services Financing Plc **	Financing Company	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU	0%	0%

* Owned directly by Anglian Water Services Holdings Limited

** Direct holding is 0%, indirect holding is 100% (2017: 100%)

The notes on pages 14 to 21 form an integral part of these financial statements.

Anglian Water Services Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

8 Trade and other receivables

	2018	2017
	£ 000	£ 000
Amounts owed by group undertakings	<u>-</u>	<u>527</u>

The amounts disclosed are repayable on demand and are not interest bearing.

9 Share capital

Authorised, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

10 Loans and borrowings

	2018	2017
	£ 000	£ 000
Non-current loans and borrowings		
Other borrowings	<u>-</u>	<u>1,602,610</u>

The loan of £1,602.6 million (2017: £1,602.6 million) made to the company by Anglian Water Services Limited was repaid on 29 March 2018. Interest on the loan was calculated at 12% per annum.

11 Trade and other Trade creditors

	2018	2017
	£ 000	£ 000
Amounts owed to group undertakings	<u>-</u>	<u>527</u>

The amounts disclosed are repayable on demand and are not interest bearing.

Anglian Water Services Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

12 Income from shares in group undertakings

Dividends received during the year are equal to the dividends paid detailed in note 13, with the addition of the following dividends received which were not available for distribution to investors in the ultimate parent company:

A dividend of £191.8 million (2017: £192.3 million) received in order to service the interest payable to Anglian Water Services Limited on the inter-company loan of £1,602.6 million (2017: £1,602.6 million). In addition, the prior year dividend committed of £0.5 million was received in April 2017.

On 29 March 2018, following our commitment to simplify our corporate structure, a restructuring dividend of £1,602.6m (2017: £nil) was paid by Anglian Water Services Limited which flowed up to Anglian Water Services Holdings Limited (AWSH), in order for AWSH to repay the inter-company loan mentioned above. The funds flowed back to Anglian Water Services Limited on the same day when AWSH settled the loan.

13 Dividends

	2018	2017
	£ 000	£ 000
<i>Dividends available for distribution to investors in the ultimate parent</i>		
Prior year final dividend of £30.5 million (2017: £50.0 million) per ordinary share	61,100	100,000
Interim dividend of £12.5 million (2017: £14.0 million) per ordinary share	25,000	28,000
	<u>86,100</u>	<u>128,000</u>
	2018	2017
	£ 000	£ 000
<i>Dividends not available for distribution to investors in the ultimate parent</i>		
Special dividend paid to fund the transfer of the non-household retail business	62,171	-
	<u>62,171</u>	<u>-</u>

On 3 April 2017 the company paid a special dividend of £62.2 million (2017: nil) to partially fund the statutory transfer of the non-household retail business from Anglian Water Services Limited to Anglian Water Business (National) Limited. The funds immediately flowed back to Anglian Water Services Limited in the form of purchase consideration paid by Anglian Water Business (National) Limited for the transfer of the non-household business and its related assets and liabilities.

The Directors have proposed a final dividend for the year ended 31 March 2018 of £34.0 million per share, which is a total of £68.0 million. This distribution has not been accounted for within the 2018 financial statements as it was proposed and approved after the year end.

Anglian Water Services Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

14 Contingent liabilities

The company, as part of the Anglian Water Services Financing Group of companies, guarantees unconditionally and irrevocably all the borrowings and derivatives of Anglian Water Services Financing Plc, which at 31 March 2018 amounted to £7,321.8 million (2017: £7,220.3 million).

The borrowings of Anglian Water Services Limited and Anglian Water Services Overseas Holdings Limited are also guaranteed unconditionally and irrevocably by the company which at 31 March 2018 amounted to £27.8 million (2017: £33.7 million) in finance leases owed by Anglian Water Services Limited to third parties.

15 Parent and ultimate parent undertaking

The company's immediate parent undertaking is AWG Group Limited, a company registered in England and Wales.

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 6XU.

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 at the above address.

The directors consider Anglian Water Group Limited, a company incorporated in Jersey but domiciled in the UK, to be the ultimate parent company. Anglian Water Group Limited is 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 Camulodunum Investments Limited (CIL). 3i sold their holding in Anglian Water Group Limited to CIL on 22 February 2018.

16 Events after the balance sheet date

On 30 May 2018, following a capital reduction in its subsidiary undertaking Anglian Water Services Overseas Holdings Limited (AWSOH), the Company transferred the remaining 1 Ordinary A it held in AWSOH to AWG Group Limited (AWGG). In addition AWGG transferred its shares in Anglian Water Services UK Parent Co Limited to AWSH.