

Registered number: SC190621

**STIRLING WATER SEAFIELD FINANCE PLC**

**STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**COMPANIES HOUSE  
EDINBURGH**

**30 APR 2019**

**FRONT DESK**



# **STIRLING WATER SEAFIELD FINANCE PLC**

## **COMPANY INFORMATION**

### **DIRECTORS**

John Patrick Abraham  
Richard John Anderson  
Caroline Garrett  
Tracy Jayne Knipe  
Nigel John Paterson  
Mark Andrew Wilson

### **COMPANY SECRETARY**

Elaine Aitken

### **REGISTRATION NUMBER**

SC190621

### **REGISTERED OFFICE**

13 Queens Road  
Aberdeen  
Scotland  
AB15 4YL

### **INDEPENDENT AUDITOR**

Ernst & Young LLP  
144 Morrison Street  
Edinburgh  
EH3 8EX

# **STIRLING WATER SEAFIELD FINANCE PLC**

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# **STIRLING WATER SEAFIELD FINANCE PLC**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

### **INTRODUCTION**

The Directors present the Strategic report for Stirling Water Seafield Finance Plc ("the Company") for the year ended 31 December 2018.

The principal activity of the Company is to raise funds to enable other UK&I group companies to upgrade and operate waste water treatment facilities and provide services relating to the treatment and disposal of sewage sludge in relation to Almond Valley, Seafield and Esk catchment areas.

The Company is registered and domiciled in the United Kingdom.

The Company is part of the Veolia Group, ("The Group") which is defined as all companies under the control of the ultimate parent company, Veolia Environnement S.A, headquartered in Paris. The Company is also a member of the "UK&I group", a division of The Group, based in the UK and Ireland and involved in the provision of waste, water and energy services and directly or indirectly under the ownership of Veolia UK Limited ("VUK").

### **BUSINESS REVIEW**

The Company continued its core business activities during the year and anticipates that it will continue to do so for the foreseeable future.

Result from ordinary activities after taxation for the year ended 31 December 2018 was £nil (2017: £nil).

The Statement of financial position as at 31 December 2018 shows equity shareholders' funds amounting to £50k (2017: £50k).

### **PRINCIPAL RISKS AND UNCERTAINTIES**

In common with all businesses, the Company recognises certain risk factors that are both external and internal to the Company. The Directors consider the principal risks and uncertainties to which the Company is exposed is the ability of Stirling Water Seafield Limited ("SWSL"), the Company's immediate parent entity, to meet loan repayments as they fall due.

The following highlights some of the particular risks, but is not intended to be an extensive analysis of all risks affecting the business. Some risks may be unknown to the Company and other risks, currently regarded as immaterial, could turn out to be material. All of them have a potential to impact the Company's business adversely. The Board has approved that the Company manages the majority of these risks by utilising the resources and processes developed and operated within the UK&I group as whole.

#### **Financial risks**

##### **Financial risk management**

The Company finances its operations through bonds. The Group's central treasury department manages liquidity, interest rate and foreign exchange risk centrally within limits set by the Chief Financial Officer.

## STIRLING WATER SEAFIELD FINANCE PLC

### STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

#### Financial risks (Continued)

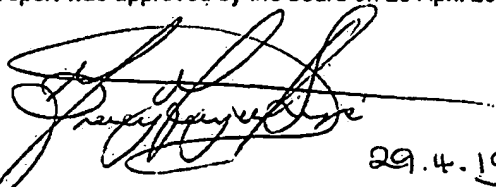
- **Credit risk**  
The key risk affecting the Company is the ability of SWSL to meet repayments as they fall due.  
The Company manages its credit risk by assessing SWSL's budgeted cash flows and long-term forecasts, related assumptions and available debt facilities.
- **Interest rate risk**  
The Company is not exposed to interest rate risk as the interest rates on its guaranteed secured bonds and loans to SWSL are fixed.
- **Liquidity risk**  
The Company is not exposed to significant liquidity risk as it performs limited operations. The liabilities it has to meet are in relation to the bonds in issue. Provided that SWSL meets its obligations to the Company, liquidity risk is minimal.
- **Foreign exchange risk**  
The Company is not exposed to foreign currency risk as the Company operates principally in the UK and at each reporting date all financial assets and financial liabilities are denominated in pound sterling.

#### Other risks

Following the referendum which, despite recent uncertainty, is still expected to result in the UK leaving the European Union, The Group will continue to develop its business in the UK and monitor the effects of the decision in line with The Group statement released in Paris on 24 June 2016: "Veolia will, of course, continue its journey in the UK. That means that we will continue to invest both in terms of financial and human resources to ensure we remain competitive and innovative". Whilst making no formal statements on the subject since, The Group have continued with its plans to manage, develop and support the UK business in line with this statement.

The UK&I group have analysed the potential impact of the various options as to the date and terms of the UK departure from the European Union and are confident that there are plans and contingencies in place to avoid the business being unduly affected. The effect on our employees has been at the forefront of the UK&I group's plans, with the UK&I group continuing to maintain both formal and informal communication with affected employees. The UK&I group continue to monitor developments.

This report was approved by the board on 29 April 2019 and signed on its behalf.



29.4.19.

Tracy Jayne Knipe  
Director

## **STIRLING WATER SEAFIELD FINANCE PLC**

### **DIRECTORS' REPORT**

#### **FOR THE YEAR ENDED 31 DECEMBER 2018**

The Directors present their report and the financial statements for the year ended 31 December 2018.

As permitted, certain information regarding the Company, including a review and analysis of the development and performance of the Company's business during the year and a description of the principal risks and uncertainties facing the Company are contained within the Strategic report.

### **RESULTS AND DIVIDENDS**

The result for the year, after taxation, amounted to £nil (2017: £nil).

There were no dividends paid in the year under review (2017: £nil).

### **DIRECTORS**

The Directors who served during the year and up to the date of the report were:

|                       |                             |
|-----------------------|-----------------------------|
| John Patrick Abraham  | (appointed 2 February 2018) |
| Richard John Anderson |                             |
| Caroline Garrett      |                             |
| Tracy Jayne Knipe     | (appointed 25 May 2018)     |
| Nigel John Paterson   |                             |
| Mark Andrew Wilson    | (appointed 1 October 2018)  |
| Susan Beattie         | (resigned 25 May 2018)      |

No Director has, or has had, a material interest, directly or indirectly, at any time during the year.

### **DIRECTORS' INDEMNITIES**

The Directors are entitled to be indemnified by the Company to the extent permitted by law in respect of losses arising out of or in connection with the execution of their powers, duties and responsibilities. Veolia Environnement S.A., the Company's ultimate parent company, maintains Directors' and Officers' liability insurance for the Directors in respect of their duties as directors. Such qualifying third party indemnity provision was in place throughout the period and remains in force as at the date of approving the Directors' report. Neither the indemnities nor the insurance provide cover in the event that the Director is proved to have acted fraudulently.

### **GOING CONCERN**

The Company has adequate resources to meet its current operational and financial obligations, and the Directors have a reasonable expectation that this will continue for the foreseeable future. This assessment is based on the consideration of the immediate parent company's budgeted cash flows, long-term forecasts related assumptions and available debt facilities. SWSL's forecasts need to be taken into account as the Company's ability to make repayments in respect of the bonds issued is solely dependent on SWSL's ability to make repayments to the Company on the associated loan. For this reason, the Directors continue to adopt the going concern basis in the statutory financial statements.

### **CORPORATE GOVERNANCE**

As a general guiding principle, the Company falls under the UK&I group which adopt the principles and rules contained in the most widely recognised good governance recommendations.

## **STIRLING WATER SEAFIELD FINANCE PLC**

### **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **INTERNAL CONTROL**

During the year under review, the Directors of the Company had overall responsibility for establishing and maintaining an adequate system of internal controls within the Company and they participated in the review of internal controls over financial reporting and the certification process which took place on a UK&I group wide basis. The effectiveness of the system at the UK&I group level was kept under review through the work of the UK&I group Internal Controls department.

The system of internal control is designed to manage rather than eliminate risk. In pursuing these objectives, internal control can provide reasonable assurance against material misstatement or loss.

A risk and control governance framework is in place across the UK&I group and is subject to continuous review and development. The Company is committed to ensuring that a proper control environment is maintained. There is a commitment to competence and integrity and to the communication of ethical values and control consciousness to managers and employees. Human Resources policies underpin that commitment by a focus on enhancing job skills and promoting high standards of probity among staff. In addition, the appropriate organisational structure has been developed within which to control the businesses and to delegate authority and accountability, having regard to acceptable levels of risk.

The UK&I group has fraud and anti-bribery policies and procedures in place to ensure that all incidences of fraud and bribery are appropriately reported and investigated. Further, the UK&I group has adopted a Whistleblower Protection Policy, incorporating a confidential external reporting service operated by an independent provider.

#### **FUTURE DEVELOPMENTS**

The Company continued its core business activity to support the activities of group companies. No change in its core business activity is anticipated in the foreseeable future.

#### **FINANCIAL INSTRUMENTS**

Financial instruments give rise to foreign currency, interest rate, credit, price and liquidity risk. Information on how these risks arise is set out in the Strategic report.

The Company has no exposure to foreign exchange as all of its financial assets and liabilities are denominated in pound sterling.

It is, and has been throughout the period under review, the Company's policy that no trading in speculative derivative financial instruments shall be undertaken.

#### **DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are a Director at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**STIRLING WATER SEAFIELD FINANCE PLC**

**DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**POST BALANCE SHEET EVENTS**

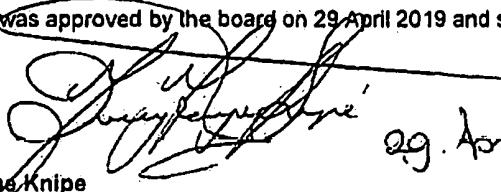
There have been no significant events affecting the Company since the year end.

**AUDITORS**

The auditor, Ernst & Young LLP (Statutory Auditor), will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the board on 29 April 2019 and signed on its behalf.

Tracy Jayne Knipe  
Director



29 April 19.

## **STIRLING WATER SEAFIELD FINANCE PLC**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018**

The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable UK law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted for use in the European Union ("IFRS"). Under Company law the Directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting 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.

Each of the Directors, as at the date of this report, confirms to the best of their knowledge that:

- The financial statements, prepared in accordance with IFRS as adopted for use in the European Union, give a true and fair view of the assets, liabilities, financial position and result of the Company.
- The Strategic Report and the Directors' Report include a fair review of the development and performance and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STIRLING WATER SEAFIELD FINANCE PLC (CONTINUED)**

### **Opinion**

We have audited the financial statements of Stirling Water Seafield Finance Plc for the year ended 31 December 2018 which comprise Statement of the comprehensive income, the Statement of financial position, the Statement of changes in equity, the Statement of cash flows and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2018 and of its result for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been 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 below. 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 as applied to listed public interest entities, 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you 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.

### **Overview of our audit approach**

|                   |                                                                                                                                                                                  |
|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Key audit matters | • Assessing the entity's ability to meet its financial obligations for a period of at least 12 months from authorisation of financial statements and sources of funds available. |
| Materiality       | • Overall materiality of £256,452 which represents 0.5% of total assets.                                                                                                         |

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STIRLING WATER SEAFIELD  
FINANCE PLC (CONTINUED)**

**Key audit matters (continued)**

| <b>Risk</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>Our response to the risk</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Key observations communicated to the Management</b>                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| <p>Assessing the entity's ability to meet its financial obligations for a period of at least 12 months from authorisation of financial statements and sources of funds available</p> <p>The Company has £5m of listed bonds (see note 10) that are repayable within 12 months of the Balance sheet date, has net assets of £50k and has made neither a profit or loss for the year. The ability of the Company to meet its obligations is dependent on the recovery of an intercompany receivable balance from its immediate parent entity, Stirling Water Seafield Limited.</p> <p>As the parent entity has net liabilities a risk, in relation to the Company's ability to meet its financial obligations, exists.</p> | <p>We evaluated management's assessment of the Company's ability to continue as a going concern. This involved an assessment of the ability of the parent entity to settle the loan payable to the Company.</p> <p>We evaluated future cash flow forecasts for the entity for a period of 12 months from the date of signing of the accounts, the process by which they were prepared, and assessed the underlying key assumptions such as expected cash inflow from sales and expected cash outflow from operating expenses of the parent entity.</p> <p>Additionally, we assessed the adequacy of the disclosures with respect to the going concern assertion in the financial statements.</p> | <p>Based on the procedures performed we agree with management's assessment that the Company is a going concern.</p> |

**An overview of the scope of our audit**

**Tailoring the scope**

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

**Changes from the prior year**

There have been no changes in our audit approach from the prior year.

**Our application of materiality**

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

**Materiality**

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be £256,452 (2017: £279,875), which is 0.5% (2017: 0.5%) of total assets. We believe that total assets provides us with an appropriate threshold for determining misstatements of importance to the users of the financial statements.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STIRLING WATER SEAFIELD FINANCE PLC (CONTINUED)**

### **Performance materiality**

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2017: 75%) of our planning materiality, namely £192,339 (2017: £209,906). We have set performance materiality at this percentage due to an expectation of misstatements of less than 25% of materiality.

### **Reporting threshold**

An amount below which identified misstatements are considered as being clearly trivial.

We set our reporting threshold at £12,823 (2017 £13,993), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

### **Other information**

The other information comprises the information included in the Strategic report and Directors' reports set out on pages 1-5, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 the other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters 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 the 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.

### **Matters on which we are required to report by exception**

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 material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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 to be audited 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STIRLING WATER SEAFIELD FINANCE PLC (CONTINUED)**

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 6, 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.

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are IFRS, Companies Act 2006 and Income Tax Act 2007.
- We understood how Stirling Water Seafield Finance Plc is complying with those frameworks by considering the potential for override of controls or other influence over the financial reporting process and the culture of honesty and ethical behaviour which may reduce opportunities for fraud to take place.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur but due to the limited transactions within the entity we concluded there was limited opportunity for this to occur.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. We test 100% of the balances within the financial statements and were confident we could identify any such non-compliance.

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

### **Other matters we are required to address**

- We were appointed by the Company on 31 March 2009 to audit the financial statements for the year ending 31 March 2009 and subsequent financial periods.  
The period of total uninterrupted engagement including previous renewals and reappointments is 11 years, covering the years ending 31 March 2009 to 31 December 2018 (the financial period changed in 2012 with the addition of a 9 month period to 31 December 2012).
- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting the audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STIRLING WATER SEAFIELD  
FINANCE PLC (CONTINUED)

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.

A handwritten signature in black ink, appearing to read 'Paul Copland', followed by the letters 'LLP'.

Paul Copland (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Edinburgh  
30 April 2019

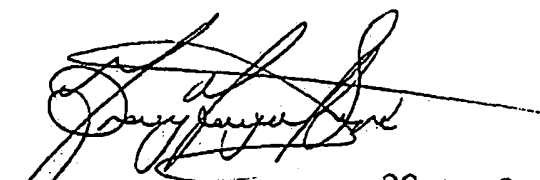
**STIRLING WATER SEAFIELD FINANCE PLC**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

|                                                     | Notes | 2018<br>£000 | 2017<br>£000 |
|-----------------------------------------------------|-------|--------------|--------------|
| <b>Continuing Operations</b>                        |       |              |              |
| Finance income                                      | 7     | 3,578        | 3,881        |
| Finance costs                                       | 8     | (3,578)      | (3,881)      |
| <b>Result Before Tax From Continuing Operations</b> |       | -            | -            |
| Income tax expense                                  |       | -            | -            |
| <b>Result For The Year</b>                          |       | -            | -            |
| <b>Other Comprehensive Income</b>                   |       | -            | -            |
| <b>Total Comprehensive Income For The Year</b>      |       | -            | -            |

**STIRLING WATER SEAFIELD FINANCE PLC**  
**REGISTRATION NUMBER: SC190621**  
**STATEMENT OF FINANCIAL POSITION**  
**AT 31 DECEMBER 2018**

|                                | Notes | 2018<br>£000    | 2017<br>£000    |
|--------------------------------|-------|-----------------|-----------------|
| <b>Assets</b>                  |       |                 |                 |
| <b>Non-Current Assets</b>      |       |                 |                 |
| Debtors                        | 9     | 46,232          | 51,240          |
|                                |       | <hr/>           | <hr/>           |
| <b>Current Assets</b>          |       |                 |                 |
| Debtors                        | 9     | 5,059           | 4,735           |
|                                |       | <hr/>           | <hr/>           |
| <b>Total Assets</b>            |       | <b>51,291</b>   | <b>55,975</b>   |
|                                |       | <hr/>           | <hr/>           |
| <b>Liabilities</b>             |       |                 |                 |
| <b>Current liabilities</b>     |       |                 |                 |
| Borrowings                     | 10    | (5,009)         | (4,685)         |
|                                |       | <hr/>           | <hr/>           |
| <b>Net Current Assets</b>      |       | <b>50</b>       | <b>50</b>       |
|                                |       | <hr/>           | <hr/>           |
| <b>Non-Current Liabilities</b> |       |                 |                 |
| Borrowings                     | 10    | (46,232)        | (51,240)        |
|                                |       | <hr/>           | <hr/>           |
| <b>Total Liabilities</b>       |       | <b>(51,241)</b> | <b>(55,925)</b> |
|                                |       | <hr/>           | <hr/>           |
| <b>Net Assets</b>              |       | <b>50</b>       | <b>50</b>       |
|                                |       | <hr/>           | <hr/>           |
| <b>Equity</b>                  |       |                 |                 |
| Share capital                  | 12    | 50              | 50              |
|                                |       | <hr/>           | <hr/>           |
| <b>Total Equity</b>            |       | <b>50</b>       | <b>50</b>       |
|                                |       | <hr/>           | <hr/>           |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 April 2019.

  
 Tracy Jayne Knipe  
 Director  
 29.4.19.

**STIRLING WATER SEAFIELD FINANCE PLC**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

|                                   | <b>Share<br/>Capital<br/>£000</b> |
|-----------------------------------|-----------------------------------|
| <b>At 1 January 2017</b>          | 50                                |
| <b>Total comprehensive income</b> | -                                 |
|                                   | <hr/>                             |
| <b>At 31 December 2017</b>        | 50                                |
| <b>Total comprehensive income</b> | -                                 |
|                                   | <hr/>                             |
| <b>At 31 December 2018</b>        | 50                                |
|                                   | <hr/>                             |

**STIRLING WATER SEAFIELD FINANCE PLC**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED**  
**31 DECEMBER 2018**

|                                                             | Notes | 2018<br>£000 | 2017<br>£000 |
|-------------------------------------------------------------|-------|--------------|--------------|
| Cash flows from operating activities                        | 13    | -            | -            |
| Net cash from operating activities (i)                      |       | -            | -            |
| Cash flows from investing activities                        |       |              |              |
| Interest received                                           |       | 3,655        | 3,954        |
| Repayments received on loan to immediate Parent undertaking |       | 4,607        | 4,308        |
| Net cash flow from investing activities (ii)                |       | 8,262        | 8,262        |
| Cash flows from financing activities                        |       |              |              |
| Interest paid                                               |       | (3,655)      | (3,954)      |
| Repayment made on loan from bondholders                     |       | (4,607)      | (4,308)      |
| Net cash flow from financing activities (iii)               |       | (8,262)      | (8,262)      |
| Increase in cash and cash equivalents (i)+(ii) +(iii)       |       | -            | -            |
| Cash and cash equivalents at beginning of year              |       | -            | -            |
| Cash and cash equivalents at end of year                    |       | -            | -            |

The notes on pages 16 – 25 form part of these financial statements.

**STIRLING WATER SEAFIELD FINANCE PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**1. GENERAL INFORMATION**

Stirling Water Seafield Finance Plc is a public company limited by shares, incorporated in Scotland.

**2. ACCOUNTING POLICIES**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards as adopted for use in the European Union ("IFRS"). These financial statements present financial information for the year ended 31 December 2018.

The Company's financial statements are presented in pound sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

On 1 January 2018, the Company adopted IFRS 9 'Financial Instruments' on a retrospective basis. There have been no material impacts on the Company's financial statements from adopting this standards.

The Company is consolidated in the consolidated financial statements of its ultimate parent company and controlling entity, Veolia Environnement S.A. (incorporated in France). Copies of the consolidated financial statements for Veolia Environnement S.A. are available from the registered office at 21 rue La Boétie, 75008 Paris, France.

The basis of preparation and accounting policies used in preparing the financial statements for the year ended 31 December 2018 and the year ended 31 December 2017 are set out below. These accounting policies have been consistently applied.

**2.2 Financial instruments**

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. The Company's accounting policies in respect of financial instruments transactions are explained below:

**Financial assets**

The Company classifies all of its financial assets as loans and receivables.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

**STIRLING WATER SEAFIELD FINANCE PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.2 Financial instruments (continued)**

**Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the contractual rights to the cash flows from the financial asset in a transaction under which nearly all the rights and obligations inherent to ownership of the financial asset are transferred. Any interest created or retained by the Company in a financial asset is recognised separately as an asset or liability.

**Impairment of financial assets**

The Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are recognised in two stages:

- for credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL);
- for those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company considers a financial asset in default when contractual payments are 10 days past due. Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

**Financial liabilities**

The Company classifies all of its financial liabilities as liabilities at amortised cost.

**At amortised cost**

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Statement of financial position.

**Derecognition of financial liabilities**

A liability is derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such as an exchange or modification is treated as a derecognition of the original liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

**STIRLING WATER SEAFIELD FINANCE PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.3 Finance income**

Interest receivable consists of income from Group undertakings.

**2.4 Finance costs**

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds.

**3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Management have not made any material estimates or assumptions that may result in a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**4. STAFF COSTS**

The Company has no employees other than the Directors, who did not receive any remuneration from the Company in either year.

**5. DIRECTORS' REMUNERATION**

The Directors are paid by, and perform services for, other companies within The Group alongside their services to this Company. Whilst not being paid by the Company, in 2018, the Directors' costs have been apportioned to the principle companies they serve within the UK&I group. Had all the Directors' costs been recharged to all the companies those Directors serve, the Company would have incurred £80k (2017: £68k) of Directors emoluments, including £5k (2017: £5k) of pension contributions to money purchase schemes.

**STIRLING WATER SEAFIELD FINANCE PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**6. AUDITORS' REMUNERATION**

The auditors' remuneration and non-audit fees have been borne by the Company's immediate parent undertaking. Total audit fees for the Stirling Water Seafield Holdings Limited group of companies amounted to £22k (2017: £27k).

**7. FINANCE INCOME**

|                                                       | 2018<br>£000      | 2017<br>£000      |
|-------------------------------------------------------|-------------------|-------------------|
| Interest receivable from immediate Parent undertaking | 3,578             | 3,881             |
|                                                       | <u>          </u> | <u>          </u> |

**8. FINANCE COSTS**

|                 | 2018<br>£000      | 2017<br>£000      |
|-----------------|-------------------|-------------------|
| Finance charges | 3,578             | 3,881             |
|                 | <u>          </u> | <u>          </u> |

**9. DEBTORS**

|                                               | Notes | 2018<br>£000      | 2017<br>£000      |
|-----------------------------------------------|-------|-------------------|-------------------|
| <b>Due within one year:</b>                   |       |                   |                   |
| Amounts due from immediate Parent undertaking | 14    | 50                | 50                |
| Loans to immediate Parent undertaking         | 14    | 5,009             | 4,685             |
|                                               |       | <u>5,059</u>      | <u>4,735</u>      |
| <b>Due after one year:</b>                    |       |                   |                   |
| Loans to immediate Parent undertaking         | 14    | 46,232            | 51,240            |
|                                               |       | <u>          </u> | <u>          </u> |

The net proceeds of the bond issues have been lent to SWSL at an interest rate of 5.822% plus an agreed arrangement fee to cover the amortisation of bond issue costs and interest thereon. The loan is repayable on the same terms as the bonds, which, from September 2004, are to be repaid in bi-annual instalments and will be repaid in full by September 2026.

**STIRLING WATER SEAFIELD FINANCE PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**10. BORROWINGS**

|                                                                                    | <b>2018</b>    | <b>2017</b>    |
|------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                    | <b>£000</b>    | <b>£000</b>    |
| Bonds – guaranteed secured notes due 2026                                          | <b>51,241</b>  | <b>55,925</b>  |
| Borrowings are repayable as follows:                                               |                |                |
| On demand or within one year                                                       | <b>5,009</b>   | <b>4,685</b>   |
| In the second year                                                                 | <b>5,355</b>   | <b>5,009</b>   |
| In the third to fifth years inclusive                                              | <b>18,395</b>  | <b>17,204</b>  |
| After five years                                                                   | <b>22,482</b>  | <b>29,027</b>  |
| Less: Amount due for settlement within 12 months (shown under current liabilities) | <b>(5,009)</b> | <b>(4,685)</b> |
| Amount due for settlement after 12 months                                          | <b>46,232</b>  | <b>51,240</b>  |

Guaranteed secured bonds with a total value of £102,900k were issued by the Company at an interest rate of 5.822% on 26 September 1999. The bonds are secured by a floating charge over the assets and undertakings of the Company. The guaranteed secured bonds are guaranteed by a financial guarantee insurance policy issued by Assured Guaranty (Europe) Plc.

Since September 2004 the bonds are being repaid in bi-annual instalments, and will be repaid in full by September 2026.

**STIRLING WATER SEAFIELD FINANCE PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**11. FINANCIAL INSTRUMENTS**

**Categories of financial instruments**

All of the Company's financial assets at 31 December 2018 and 31 December 2017 are categorised as loans and receivables and measured at amortised cost.

All of the Company's financial liabilities at 31 December 2018 and 31 December 2017 are categorised as borrowings and measured at amortised cost.

**Fair value**

The Company does not hold any financial instruments at fair value. However, set out below is a comparison of the carrying amounts and fair value of the Company's borrowings.

|                                          | 31 December 2018           |                       | 31 December 2017           |                    |
|------------------------------------------|----------------------------|-----------------------|----------------------------|--------------------|
|                                          | Carrying<br>amount<br>£000 | Fair<br>value<br>£000 | Carrying<br>amount<br>£000 | Fair value<br>£000 |
| <b>Financial liabilities</b>             |                            |                       |                            |                    |
| Borrowings                               | 51,241                     | 61,934                | 55,925                     | 68,083             |
| <b>Financial assets</b>                  |                            |                       |                            |                    |
| Loans to immediate Parent<br>undertaking | (51,291)                   | (61,984)              | (55,975)                   | (68,133)           |

Apart from a minor current receivable element of £50k which does not relate to the core financing arrangements the fair value of the loan receivable is equivalent to the fair value of the loan payable of £61,934k.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

During the year ended 31 December 2018 and 2017 there were no transfers between level 1 and level 2 fair value measurements and no transfers into or out of level 3 fair value measurements.

Under the fair value hierarchy, the financial instrument is considered to be a Level 2 instrument. The fair value at 31 December 2018 of the borrowings and obligations under guaranteed secured bonds is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

**STIRLING WATER SEAFIELD FINANCE PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**11. FINANCIAL INSTRUMENTS (CONTINUED)**

**Liquidity risk**

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date of which the Company can be required to pay. The tables include principal cash flows and interest.

|                             |                                                           | Timing of cash flows       |                                            |                                             |                                    |               |
|-----------------------------|-----------------------------------------------------------|----------------------------|--------------------------------------------|---------------------------------------------|------------------------------------|---------------|
|                             | Weighted<br>average<br>effective<br>interest<br>rate<br>% | Within<br>one year<br>£000 | Between<br>one and<br>two<br>years<br>£000 | Between<br>two and<br>five<br>years<br>£000 | More<br>than five<br>years<br>£000 | Total<br>£000 |
| <b>At 31 December 2018</b>  |                                                           |                            |                                            |                                             |                                    |               |
| Guaranteed secured<br>bonds | 6.8                                                       | 8,262                      | 8,262                                      | 24,787                                      | 24,787                             | 66,098        |
|                             |                                                           | <hr/>                      | <hr/>                                      | <hr/>                                       | <hr/>                              | <hr/>         |
| <b>At 31 December 2017</b>  |                                                           |                            |                                            |                                             |                                    |               |
| Guaranteed secured<br>bonds | 6.8                                                       | 8,262                      | 8,262                                      | 24,787                                      | 33,050                             | 74,361        |
|                             |                                                           | <hr/>                      | <hr/>                                      | <hr/>                                       | <hr/>                              | <hr/>         |

The following tables detail the Company's expected maturity for its financial assets. The tables have been drawn up based on the undiscounted contractual maturities of the financial assets. The inclusion of information on financial assets is necessary to understand the Company's liquidity risk management as liquidity is managed on a net asset and liability basis.

|                                 |                                                           | Timing of cash flows       |                                         |                                          |                                    |               |
|---------------------------------|-----------------------------------------------------------|----------------------------|-----------------------------------------|------------------------------------------|------------------------------------|---------------|
|                                 | Weighted<br>average<br>effective<br>interest<br>rate<br>% | Within<br>one year<br>£000 | Between<br>one and<br>two years<br>£000 | Between<br>two and<br>five years<br>£000 | More<br>than five<br>years<br>£000 | Total<br>£000 |
| <b>At 31 December 2018</b>      |                                                           |                            |                                         |                                          |                                    |               |
| Immediate Parent<br>undertaking | 6.8                                                       | 8,312                      | 8,262                                   | 24,787                                   | 24,787                             | 66,148        |
|                                 |                                                           | <hr/>                      | <hr/>                                   | <hr/>                                    | <hr/>                              | <hr/>         |
| <b>At 31 December 2017</b>      |                                                           |                            |                                         |                                          |                                    |               |
| Immediate Parent<br>undertaking | 6.8                                                       | 8,312                      | 8,262                                   | 24,787                                   | 33,050                             | 74,411        |
|                                 |                                                           | <hr/>                      | <hr/>                                   | <hr/>                                    | <hr/>                              | <hr/>         |

**STIRLING WATER SEAFIELD FINANCE PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**11. FINANCIAL INSTRUMENTS (CONTINUED)**

The changes in liabilities arising from financing activities is as follows:

|                                                    | At 01<br>January<br>2018<br>£000 | Cash<br>flows<br>£000 | Accrued<br>interest<br>£000 | Transfer from<br>non-current<br>to current<br>£000 | At 31<br>December<br>2018<br>£000 |
|----------------------------------------------------|----------------------------------|-----------------------|-----------------------------|----------------------------------------------------|-----------------------------------|
| Current interest-bearing loans and borrowings      | 4,685                            | (8,262)               | -                           | 8,586                                              | 5,009                             |
| Non-current interest-bearing loans and borrowings  | 51,240                           | -                     | 3,578                       | (8,586)                                            | 46,232                            |
| <b>Total interest-bearing loans and borrowings</b> | <b>55,925</b>                    | <b>(8,262)</b>        | <b>3,578</b>                | <b>-</b>                                           | <b>51,241</b>                     |

**Capital management**

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended 31 December 2018 or the year ended 31 December 2017.

**Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt and equity investments and derivative financial instruments.

- **Interest rate risk**  
The Company is not exposed to interest rate risk as the interest rates on its guaranteed secured bonds and loans to SWSL are fixed.
- **Credit Risk**  
The key risk affecting the Company is the ability of SWSL to meet repayments as they fall due. The Company manages its credit risk by assessing SWSL's budgeted cash flows and long-term forecasts, related assumptions and available debt facilities

**STIRLING WATER SEAFIELD FINANCE PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**12. SHARE CAPITAL**

|                                           | <b>2018</b> | <b>2017</b> |
|-------------------------------------------|-------------|-------------|
|                                           | <b>£000</b> | <b>£000</b> |
| <i>Allotted, called-up and fully paid</i> |             |             |
| 50,000 ordinary shares of £1 each         | <b>50</b>   | <b>50</b>   |
|                                           | <hr/>       | <hr/>       |

The entire share capital of the Company has been pledged to Prudential Trustee Company as security trustee.

**13. NOTES TO THE STATEMENT OF CASH FLOWS**

Reconciliation of the result for the year to net cash (outflow)/inflow from operating activities:

|                                                     | <b>2018</b>    | <b>2017</b>    |
|-----------------------------------------------------|----------------|----------------|
|                                                     | <b>£000</b>    | <b>£000</b>    |
| Result for the year                                 | -              | -              |
| Interest Receivable                                 | <b>(3,578)</b> | <b>(3,881)</b> |
| Interest Payable                                    | <b>3,578</b>   | <b>3,881</b>   |
|                                                     | <hr/>          | <hr/>          |
| Net cash (outflow)/inflow from operating activities | -              | -              |
|                                                     | <hr/>          | <hr/>          |

**STIRLING WATER SEAFIELD FINANCE PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**14. RELATED PARTY TRANSACTIONS**

During the year the Company entered into transactions, in the ordinary course of business, with related parties. Transactions between related parties are made on an arm's length basis.

Transactions entered into and trading balances outstanding at 31 December with related parties, are as follows:

**Trading transactions**

|                                                       | 2018<br>£000 | 2017<br>£000 |
|-------------------------------------------------------|--------------|--------------|
| Interest receivable from immediate Parent undertaking | 3,578        | 3,881        |

|                                              | 2018<br>£000 | 2017<br>£000 |
|----------------------------------------------|--------------|--------------|
| Debtor due from immediate Parent undertaking | 50           | 50           |

|                                       | Within<br>one year<br>£000 | Due<br>between<br>one and<br>five<br>years<br>£000 | Due<br>after<br>five<br>years<br>£000 | Total<br>£000 |
|---------------------------------------|----------------------------|----------------------------------------------------|---------------------------------------|---------------|
| Loans to immediate Parent undertaking |                            |                                                    |                                       |               |
| As at 31 December 2018                | 5,009                      | 23,750                                             | 22,482                                | 51,241        |
| As at 31 December 2017                | 4,685                      | 22,213                                             | 29,027                                | 55,925        |

**15. IMMEDIATE PARENT AND CONTROLLING PARTY**

The immediate parent Company is Stirling Water Seafield Limited, a company incorporated in Scotland.

The ultimate parent company and controlling company is Veolia Environnement S.A., a company incorporated in France. Consolidated financial statements are prepared by Veolia Environnement S.A. Copies of the consolidated financial statements for Veolia Environnement S.A. are available from the registered office at 21 rue La Boétie, 75008 Paris, France.

Veolia Environnement S.A. is the smallest and largest group for which group financial statements, including Stirling Water Seafield Finance Plc, are prepared.