

Registered number: **SC190621**

STIRLING WATER SEAFIELD FINANCE PLC
STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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COMPANIES HOUSE

COMPANY INFORMATION

DIRECTORS

John Patrick Abraham
Caroline Garrett
Anthony Thomas McKenna
Sinéad Patton
Mark Andrew Wilson

COMPANY SECRETARY

Caroline Garrett

REGISTRATION NUMBER

SC190621

REGISTERED OFFICE

1 Masterton Park
South Castle Drive
Dunfermline
Fife
Scotland
KY11 8NX

INDEPENDENT AUDITOR

MHA
2 London Wall Place
London
EC2Y 5AU

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STIRLING WATER SEAFIELD FINANCE PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

INTRODUCTION

The Directors present their Strategic Report for the year ended 31 December 2025.

The principal activity of Stirling Water Seafield Finance plc (the "Company") is to raise funds to enable other UK&I group companies to upgrade and operate wastewater treatment facilities and provide sewage sludge treatment and disposal services in relation to the Almond Valley, Seafield and Esk ("AVSE") 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. The Directors anticipate that the outstanding loan receivable and bonds payable will be fully settled by September 2026 (refer to the Going Concern and Future Developments sections below). Following this settlement, the Company will cease operations and the Directors intend to commence winding up procedures in due course.

The result from ordinary activities after taxation for the year ended 31 December 2025 was £nil (2024: £nil).

The Statement of Financial Position as at 31 December 2025 shows equity shareholders' funds of £50k (2024: £50k). Following loan receivable and bond repayments during 2025, the remaining borrowing balance of £8,000k has been classified as a current liability in accordance with IAS 1, reflecting the anticipated settlement by September 2026.

SECTION 172 (1) Statement

The Directors have acted in accordance with their duties under section 172(1) of the Companies Act 2006 with regard to the interests of stakeholders.

The Directors have maintained regular communication with the Company's key stakeholders throughout the year, namely Stirling Water Seafield Limited ("SWSL"), the Company's immediate parent undertaking and the bondholders. The Directors have kept these stakeholders informed of material developments, financial performance, and the anticipated timeline for settlement and wind-up.

Given the Company's limited activities, further information on how the Directors have met the needs of the wider stakeholders are set out in section 172(1) of SWSL's financial statements.

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 following highlights some of the Company's 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 the identified risks have a potential to adversely impact the Company's business, revenue, profits, assets, liquidity and capital resources. The Company manages the majority of these risks by utilising the resources and processes developed and operated within the UK&I group as whole.

STIRLING WATER SEAFIELD FINANCE PLC

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

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 of the UK&I group.

- **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.

The risk of major financial loss would occur if SWSL's main customer, Scottish Water, a large well-established and stable public sector body, failed to honour its obligations under the contract. The likelihood of significant financial loss is considered low and is considered to continue to be such in the current environment.

Given the above, the Directors consider the Company's exposure to credit risk to be acceptable.

- **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, which is predicated on SWSL meeting its obligations to the Company. This is mitigated to a large extent by the high level of predictability over contract revenues and the credit worthiness of the main customer, being a large public sector body. Therefore liquidity risk is considered to be minimal.

- **Foreign exchange risk**

The Company is not exposed to foreign currency risk as the Company operates in the UK and at each reporting date all financial assets and financial liabilities are denominated in pound sterling.

This report was approved by the board on 29 April 2026 and signed on its behalf.

Sinead Patton

Sinead Patton (Apr 29, 2026 17:57:24 GMT+1)

Sinéad Patton

Director

29/04/2026

STIRLING WATER SEAFIELD FINANCE PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

The Directors present their report and the audited financial statements for the year ended 31 December 2025.

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, the Company's policies for employee and shareholder engagement 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 (2024: £nil).

There were no dividends paid in the year under review (2024: £nil).

DIRECTORS

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

John Patrick Abraham
Caroline Garrett
Anthony Thomas McKenna
Sinéad Patton
Mark Andrew Wilson

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's financing is dependent upon the ability of the Company's immediate parent to comply with a number of covenant tests required by the bond holders. The Directors have sought assurances and are satisfied that there is compliance with the covenants and confirm there have been no breaches during the year or forecasted prior to final settlement in September 2026.

Having taken the above matters into consideration, the Directors are satisfied that they have a reasonable basis to conclude that SWSL, and therefore the Company, will be able to meet its liabilities as they fall due.

The remaining loan due from the Company's immediate parent and the outstanding bond balance are both scheduled for payment in September 2026 and as a result the Company will cease to operate following settlement.

In light of this, the Directors have prepared the financial statements on a basis other than going concern. The Directors have determined that no material adjustments are required as a result of ceasing to adopt the going concern basis of preparation, and no provision has been made for any future costs associated with winding up the Company.

STIRLING WATER SEAFIELD FINANCE PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

FUTURE DEVELOPMENTS

As outlined in the going concern section above, the Company's remaining financial obligations are scheduled to be settled in September 2026 at which point the Company will cease to operate and it is the Directors' intention to wind up the Company at the earliest opportunity.

FINANCIAL INSTRUMENTS

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

The Company has no exposure to foreign exchange risk as all of its financial assets and liabilities are denominated in pound sterling and has no exposure to interest rate risk as all of its borrowings are at fixed rates of interest.

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.

POST BALANCE SHEET EVENTS

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

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who is 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
- the 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.

AUDITOR

In accordance with section 487(2) of the Companies Act 2006, MHA will be deemed to be reappointed as auditor.

This report was approved by the board on 29 April 2026 and signed on its behalf.

Sinead Patton

Sinead Patton (Apr 29, 2026 17:57:24 GMT+1)

Sinéad Patton
Director

29/04/2026

STIRLING WATER SEAFIELD FINANCE PLC

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

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 UK adopted International Financial Reporting Standards ("UK adopted IFRS") in conformity with the Companies Act 2006, and those parts of the Companies Act 2006 applicable to companies reporting under UK adopted IFRS. 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 year.

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;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company financial position and financial performance;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Directors 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.

Independent auditor's report to the members of Stirling Water Seafield Finance plc

For the purpose of this report, the terms "we" and "our" denote MHA in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of Stirling Water Seafield Finance plc. For the purposes of the table on pages 7 and 8 that sets out the key audit matters and how our audit addressed the key audit matters, the terms "we" and "our" refer to MHA. The "Company" is defined as Stirling Water Seafield Finance plc. The relevant legislation governing the Company is the United Kingdom Companies Act 2006 ("Companies Act 2006").

Opinion

We have audited the financial statements of Stirling Water Seafield Finance plc for the year ended 31 December 2025. The financial statements that we have audited comprise:

- the Statement of Comprehensive Income
- the Statement of Financial Position
- the Statement of Changes in Equity
- the Statement of Cash Flows, and
- Notes 1 to 16 of the financial statements, including material accounting policies.

The financial reporting framework that has been applied in the preparation of the Company's financial statements is applicable law and UK adopted International Financial Reporting Standards ("UK adopted IFRS").

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2025 and of the Company's result for the year then ended;
- have been properly prepared in accordance with UK adopted IFRS; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Our opinion is consistent with our reporting to the Board of Directors.

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 as applied to listed public interest entities, and we have fulfilled our ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – financial statements prepared on a basis other than going concern

We draw attention to Note 2 to the financial statements which explains that following the final repayment of the bond due in September 2026, the Company will cease to trade and therefore the Directors do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than a going concern as described in Note 2. Our opinion is not modified in respect of this matter.

Overview of our audit approach

Scope	Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.
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Independent auditor's report to the members of Stirling Water Seaford Finance plc

Materiality	2025	2024
Company	£40,000	£77,000 0.5% (2024: 0.5%) of gross assets
Key audit matters		
Recurring	Valuation of loans to immediate parent undertaking	

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, 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 matters 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 forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of loans to the immediate parent undertaking

Key audit matter description	At 31 December 2025, the Company reported loans to immediate parent undertaking of £8.0 million (2024: £15.5 million) – Note 9
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The Company acts as a financing entity, borrowing funds from the market and lending on to an operating company within the Group. In line with requirements of IFRS 9: Financial instruments, we are required to assess whether an Expected Credit Loss (ECL) provision is required.

The ECL assessment is inherently judgemental as it is based on forward-looking estimates of the parent undertaking's ability to future cash flows and its capacity to repay the intercompany balances. These cash flows are, in turn, dependent on the performance of the parent company. Given the reliance on forecast cash flows to support full repayment, there is a high degree of estimation uncertainty.

Accordingly, we determined that the valuation of loans to the immediate parent undertaking, was a key audit matter.

How the scope of our audit responded to the key audit matter	In order to address the key audit matter in respect of the valuation of intercompany balances to the immediate parent undertaking, we performed the following procedures:
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- We have evaluated the design and implementation of controls related to counterparty reconciliations within the group.
- We have assessed management's approach to estimating the ECL.
- We have reviewed cash flow forecasts for the counterparty to the balance and assessed management's assumptions and conclusions. We have also scrutinised the model, including checking mathematical accuracy, agreeing income and cost expectations to underlying contracts, and agreeing debt repayments to agreements.
- We have inspected loan agreements for the material intercompany balances and assessed managements calculations aligned with the agreements.

Independent auditor's report to the members of Stirling Water Seafeld Finance plc

- We have obtained counterparty confirmation of the balance at the year end and evaluated post year-end movements to assess the recoverability of balances.
- We have reviewed the adequacy of disclosures for compliance with the accounting standards.

Key observations communicated to the Company's Board of Directors

Based on the audit work performed we have nothing to report.

Our application of materiality

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Overall Materiality	£40,000 (2024: £77,000)
Basis of determining overall materiality	We determined materiality based on 0.5% (2024: 0.5%) of the Company's gross assets. We have considered the primary users of the financial statements to be shareholders, management and bond holders. We determined gross assets to be the key benchmark for setting materiality given the Company's objective of providing finance to other entities in the group through the issue of a listed bond.
Performance materiality	£28,000 (2024: £53,900)
Basis of determining overall performance materiality	We set performance materiality based on 70% (2024: 70%) of overall materiality. Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls and the level of misstatements arising in previous audits.
Error reporting threshold	We agreed to report any corrected or uncorrected adjustments exceeding £2,000 (2024: £3,850) to the Board of Directors, as well as differences below this threshold that in our view warranted reporting on qualitative grounds. We also report to management on disclosure matters that we identified when assessing the overall presentation of the financial statements.

The control environment

We evaluated the design and implementation of those internal controls of the company which are relevant to our audit, such as those relating to the financial reporting cycle.

Independent auditor's report to the members of Stirling Water Seafield Finance plc

Climate related risks

In planning our audit and gaining an understanding of the Group, we considered the potential impact of climate related risks on the business and its financial statements.

We have agreed with management's assessment that the Company is currently not impacted by key regulations and that climate related impact is not material to these financial statements.

Reporting on other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

Strategic report and Directors' report

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 the 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 material misstatements in the Strategic report or the Directors' report.

Matters on which we are required to report by exception

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 by 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.

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.

Independent auditor's report to the members of Stirling Water Seafield Finance plc

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 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 financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Identifying and assessing potential risks arising from irregularities, including fraud

The extent of the procedures undertaken to identify and assess the risks of material misstatement in respect of irregularities, including fraud, included the following:

- We considered the nature of the industry and sector, the control environment, business performance and the Company's own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussion with the Directors, we obtained an understanding of the legal and regulatory frameworks applicable to the Company focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements, such as provisions of the Companies Act 2006 and UK tax legislation.
- We enquired of the Directors and management concerning the Company's policies and procedures relating to:
 - identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they had any knowledge of actual or suspected fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls. We determined that the principal risks were related management bias in accounting estimates in respect of expected credit loss provisions on the loan amounts due from immediate parent undertaking.

Independent auditor's report to the members of Stirling Water Seafeld Finance plc

Audit response to risks identified

In respect of the above procedures:

- we corroborated the results of our enquiries through our review of the minutes of the Company's board meetings.
- audit procedures performed by the engagement team in connection with the risks identified included:
 - reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations expected to have a direct impact on the financial statements.
 - testing journal entries, including a full review of all journals posted in the year;
 - evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias;
 - enquiry of management around actual and potential litigation and claims.
 - challenging the assumptions and judgements made by management in its significant accounting estimates in respect of expected credit loss provision on amounts due from immediate parent undertaking; and
 - obtaining confirmation from the third party to confirm existence of the bond balance.

we communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Other requirements

We were appointed by the Directors on 12 May 2021. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 6 years initially under the legal entity Macintyre Hudson LLP and subsequently under MHA Audit Services LLP.

We did not provide any non-audit services which are prohibited by the FRC's Ethical Standard to the Company, and we remain independent of the company in conducting our audit.

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.

The Company is required to include these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rules 4.1.15R to 4.1.18R. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

Tobias Stephenson

Tobias Stephenson (Apr 29, 2026 18:16:19 GMT+1)

Tobias Stephenson BA ACA

(Senior Statutory Auditor)

for and on behalf of MHA, Statutory Auditor

London, United Kingdom

29 April 2026

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC312313)

STIRLING WATER SEAFIELD FINANCE PLC

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 £000	2024 £000
Continuing Operations			
Finance income	7	779	1,263
Finance costs	8	(779)	(1,263)
Result Before Tax From Continuing Operations		-	-
Income tax expense		-	-
Result and Total Comprehensive Income For The Year		-	-

STIRLING WATER SEAFIELD FINANCE PLC

REGISTRATION NUMBER: SC190621

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2025

	Notes	2025 £000	2024 £000
Non-Current Assets			
Debtors: amounts falling due after more than one year	9	50	8,050
Current Assets			
Debtors: amounts falling due within one year	9	8,000	7,483
Total Assets		8,050	15,533
Current Liabilities			
Borrowings: amounts falling due within one year	10	(8,000)	(7,483)
Net Current Assets		-	-
Non-Current Liabilities			
Borrowings: amounts falling due after more than one year	10	-	(8,000)
Total Liabilities		(8,000)	(15,483)
Net Assets		50	50
Equity			
Share capital	12	50	50
Total Equity		50	50

The financial statements were approved and authorised by the board on 29 April 2026 and signed on its behalf.



Sinead Patton (Apr 29, 2026 17:57:24 GMT+1)

Sinéad Patton
Director

29/04/2026

STIRLING WATER SEAFIELD FINANCE PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

	Share Capital £000
At 1 January 2024	50
Total comprehensive income	-
At 31 December 2024	50
Total comprehensive income	-
At 31 December 2025	50

STIRLING WATER SEAFIELD FINANCE PLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025	2024
		£000	£000
Cash flows from operating activities	13	-	-
Net cash from operating activities (i)		-	-
Cash flows from investing activities			
Interest received		903	1,380
Repayments received on loan to immediate parent undertaking		7,359	6,882
Net cash flow from investing activities (ii)	11	8,262	8,262
Cash flows from financing activities			
Interest paid		(903)	(1,380)
Repayment made on loan from bond holders		(7,359)	(6,882)
Net cash flow from financing activities (iii)	11	(8,262)	(8,262)
Increase in cash and cash equivalents (i)+(ii)+(iii)		-	-
Cash and cash equivalents at 1 January		-	-
Cash and cash equivalents at 31 December		-	-

The notes on pages 16 – 26 form part of these financial statements.

**STIRLING WATER SEAFIELD FINANCE PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

1. GENERAL INFORMATION

Stirling Water Seafield Finance Plc is a public company limited by shares, incorporated in Scotland. The Company is registered at 1 Masterton Park, South Castle Drive, Dunfermline, Fife, Scotland, KY11 8NX.

2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention in accordance with UK adopted IFRS in conformity with the Companies Act 2006, and those parts of the Company Act 2006 applicable to companies reporting under UK adopted IFRS.

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 UK adopted IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's material accounting policies (see note 3).

New standards, amendments to standards and interpretations:

There were no new standards or amendments to standards applied for the first time for the annual reporting period commencing 1 January 2025 that had a material impact on the Company.

The following standards are of mandatory application after 1 January 2026 and have not been applied early by the Company:

- **Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures:** Classification and Measurement of Financial Instruments (1 January 2026)
- **IFRS 18 Presentation and Disclosure in Financial Statements** (1 January 2027)
- **IFRS 19 Subsidiaries without Public Accountability:** Disclosures (1 January 2027)
- **Annual Improvements to IFRS Accounting Standards - Volume 11** (1 January 2026)
- **Contracts Referencing Nature-dependent Electricity** - Amendments to IFRS 9 and IFRS 7 (1 January 2026)

The Company is assessing the potential impact of the first-time adoption of the above standards but initial indications are that any impact will not be material.

2.2 Going concern

The Company's financing is dependent upon the ability of the Company's immediate parent to comply with a number of covenant tests required by the bond holders. The Directors have sought assurances and are satisfied that there is compliance with the covenants and confirm there have been no breaches during the year or forecasted prior to final settlement in September 2026.

Having taken the above matters into consideration, the Directors are satisfied that they have a reasonable basis to conclude that SWSL, and therefore the Company, will be able to meet its liabilities as they fall due.

The remaining loan due from the Company's immediate parent and the outstanding bond balance are both scheduled for payment in September 2026 and as a result the Company will cease to operate following settlement.

In light of this, the Directors have prepared the financial statements on a basis other than going concern. The Directors have determined that no material adjustments are required as a result of ceasing to adopt the going concern basis of preparation, and no provision has been made for any future costs associated with winding up the Company.

**STIRLING WATER SEAFIELD FINANCE PLC
NOTES TO THE FINANCIAL STATEMENTS
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2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Ultimate controlling party

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 of Veolia Environnement S.A. can be obtained from the registered office at 21 rue La Boétie, 75008 Paris, France.

2.4 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are derecognised when they are discharged or when the contractual terms expire. Financial assets and liabilities are initially measured at fair value. Loans receivable or payable on demand are classed as short-term and hence are not discounted.

The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The Company recognises its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Financial assets subsequently measured at amortised cost

These comprise intercompany loans which are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally to service the financial liabilities.

Impairment of financial assets

The Company recognises an allowance for expected credit losses ("ECLs") for all financial assets subsequently measured at amortised cost. The Company calculates ECLs by assessing the expected life of the asset and the credit risk of the counterparty, taking into consideration the timing and scale of future cash flows. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

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.

Financial liabilities

The Company classifies all of its financial at amortised cost.

**STIRLING WATER SEAFIELD FINANCE PLC
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2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Financial instruments (continued)

Amortised cost

Financial liabilities at amortised cost including bank borrowings and bonds 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 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.

2.5 Finance income

Interest receivable consists of income from Group undertakings, calculated using the effective interest method on the loan balance.

2.6 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, and are calculated using the effective interest method.

**STIRLING WATER SEAFIELD FINANCE PLC
NOTES TO THE FINANCIAL STATEMENTS
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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.

Judgments and estimates

The following assumptions involving judgments and estimates have had the most significant effect on amounts recognised in the financial statements:

- **Expected credit loss (ECL) provision on impairment of intercompany loan**

The financial statements include loans to the immediate parent company. The Directors have assessed the need for an expected credit loss provision against the amounts due from the immediate parent company. Based on their review of the timing, scale and predictability of future cash flows, the Directors have made a judgment that there is no requirement for a provision.

There are no key sources of estimation uncertainty.

4. STAFF COSTS

The Company has no employees other than the Directors (see note 5).

5. DIRECTORS' REMUNERATION

Many Directors within the UK&I group provide directorship services across multiple Group fellow subsidiaries. Given the significant number of subsidiaries and the breadth of activities across the UK&I group, it is not practicable to accurately apportion Directors' remuneration on a company-by-company basis to determine this Company's attributable share of total Directors' remuneration.

The Company had five (2024: five) Directors, who served during the year and to the date of this report, all (2024: all) of whom were employed and paid within the UK&I group.

Of the Directors paid within the UK&I group:

- No Directors (2024: No) were remunerated directly by the Company;
- Three Directors (2024: Three) received their remuneration from other UK&I group companies in which they also held directorships. The remuneration of these Directors was disclosed in the financial statements of those respective companies; and
- Two Directors (2024: Two) were solely employed in their capacity as employees of other UK&I group companies. The costs attributable to their qualifying services as Directors of this Company was considered incidental, and no recharge was received from their employing companies in respect of those directorship duties.

STIRLING WATER SEAFIELD FINANCE PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

6. AUDITOR'S REMUNERATION

The auditor's remuneration has been borne by the Company's immediate parent undertaking. Total audit fees for the Company amounted to £21k (2024: £16k).

There were no non-audit fees charged in the current or prior period.

7. FINANCE INCOME

	2025	2024
	£000	£000
Interest receivable from immediate parent undertaking	779	1,263

8. FINANCE COSTS

	2025	2024
	£000	£000
Finance charges	779	1,263

9. DEBTORS

	Notes	2025	2024
		£000	£000
Amounts falling due within one year			
Loans to immediate parent undertaking	14	8,000	7,483
Amounts falling due after more than one year			
Amounts due from immediate parent undertaking	14	50	50
Loans to immediate parent undertaking	14	-	8,000
		50	8,050

The net proceeds of the bond issues have been lent to SWSL at an interest rate (coupon 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 being repaid in bi-annual instalments and will be repaid in full by September 2026. At the year end, the Loans to immediate parent undertaking falling due within one year includes an element of accrued interest totalling £165k (2024: £289k).

STIRLING WATER SEAFIELD FINANCE PLC
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10. BORROWINGS

	2025	2024
	£000	£000
Bonds – guaranteed secured notes due 2026	8,000	15,483
Borrowings are repayable as follows:		
- Within one year	8,000	7,483
- In the second year	-	8,000
Less: Amount due for settlement within 12 months (shown under current liabilities)	(8,000)	(7,483)
Amount due for settlement after 12 months	-	8,000

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, its immediate parent SWSL and SWSL's holding company, SWSHL. The guaranteed secured bonds are guaranteed by a financial guarantee insurance policy issued by Assured Guaranty UK Limited.

Since September 2004 the bonds are being repaid in bi-annual instalments, and will be repaid in full by September 2026. At the year end, the bonds repayable within one year includes an element of accrued interest totaling £165k (2024: £289k).

STIRLING WATER SEAFIELD FINANCE PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

11. FINANCIAL INSTRUMENTS

Categories of financial instruments

All of the Company's financial assets at 31 December 2025 and 31 December 2024 are categorised as financial assets subsequently measured at amortised cost.

All of the Company's financial liabilities at 31 December 2025 and 31 December 2024 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 and loan receivable.

	31 December 2025		31 December 2024	
	Carrying amount £000	Fair value £000	Carrying amount £000	Fair value £000
Financial liabilities				
Borrowings	8,000	8,052	15,483	15,489
Financial assets				
Loans to immediate parent undertaking	8,050	8,102	15,533	15,539

Apart from a minor 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 £8,052k (2024: £15,489k).

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 2025 and 31 December 2024, 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.

For the purpose of the above disclosures, under the fair value hierarchy, the financial instrument is considered to be a Level 2 instrument. The fair value at 31 December 2025 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 2025

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.

	Weighted average effective interest rate %	Timing of cash flows				Total £000
		Within one year £000	Between one and two years £000	Between two and five years £000	More than five years £000	
At 31 December 2025						
Guaranteed secured bonds	6.8	8,261	-	-	-	8,261
At 31 December 2024						
Guaranteed secured bonds	6.8	8,262	8,261	-	-	16,523

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.

	Weighted average effective interest rate %	Timing of cash flows				Total £000
		Within one year £000	Between one and two years £000	Between two and five years £000	More than five years £000	
At 31 December 2025						
Immediate parent undertaking	6.8	8,261	50	-	-	8,311
At 31 December 2024						
Immediate parent undertaking	6.8	8,262	8,261	50	-	16,573

STIRLING WATER SEAFIELD FINANCE PLC
NOTES TO THE FINANCIAL STATEMENTS
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11. FINANCIAL INSTRUMENTS (CONTINUED)

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

	At 1 January 2025 £000	Cash flows £000	Interest £000	Transfer from non-current to current £000	At 31 December 2025 £000
Current interest-bearing loans and borrowings	7,483	(8,262)	514	8,265	8,000
Non-current interest-bearing loans and borrowings	8,000	-	265	(8,265)	-
Total interest-bearing loans and borrowings	15,483	(8,262)	779	-	8,000

	At 1 January 2024 £000	Cash flows £000	Interest £000	Transfer from non-current to current £000	At 31 December 2024 £000
Current interest-bearing loans and borrowings	6,999	(8,262)	481	8,265	7,483
Non-current interest-bearing loans and borrowings	15,483	-	782	(8,265)	8,000
Total interest-bearing loans and borrowings	22,482	(8,262)	1,263	-	15,483

Capital management

The Company's share capital was established following Incorporation in 1998. The nature of the Company's activities does not require active capital management.

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.

The aspect requiring consideration is interest rate risk. However, 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.

The risk of major financial loss would occur if SWSL's main customer, Scottish Water, a large well-established and stable public sector body, failed to honour its obligations under the contract. The likelihood of this is considered extremely low, and is considered to continue to be such in the current environment. For this reason no provision has been made in respect of future credit losses.

STIRLING WATER SEAFIELD FINANCE PLC
NOTES TO THE FINANCIAL STATEMENTS
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12. SHARE CAPITAL

	2025	2024
	£000	£000
<i>Allotted, called-up and fully paid</i>		
50,000 ordinary shares of £1 each	50	50

The entire share capital of the Company has been pledged to M&G Trustee Company Limited as security.

13. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of the result for the year to net cash flows from operating activities:

	2025	2024
	£000	£000
Result for the year	-	-
Interest Receivable	(779)	(1,263)
Interest Payable	779	1,263
Net cash flows from operating activities	-	-

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 2025 with all related parties, are as follows:

Trading transactions

	2025	2024
	£000	£000
Interest receivable from immediate parent undertaking	779	1,263
	2025	2024
	£000	£000
Debtor due from immediate parent undertaking	50	50

STIRLING WATER SEAFIELD FINANCE PLC
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14. RELATED PARTY TRANSACTIONS (CONTINUED)

Loans to Immediate Parent undertaking	Due within one year £000	Due after one year and within five years £000	Due after five years £000	Total £000
As at 31 December 2025	8,000	-	-	8,000
As at 31 December 2024	7,483	8,000	-	15,483

15. POST BALANCE SHEET EVENTS

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

16. 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.