

GREENSANDS INVESTMENTS LIMITED

ANNUAL REPORT

AND FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 MARCH 2017

Registered number: 06301867

GREENSANDS INVESTMENTS LIMITED
Annual Report and Financial Statements for the year ended
31 March 2017

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GREENSANDS INVESTMENTS LIMITED

COMPANY INFORMATION

The company is a private company limited by shares.

Directors

M Nagle

A Truscott

B Somes

B Goodwin (Alternate to A Truscott)

R Daniels

R Wall

Company Secretary

J Statton

Registered office

Southern House

Yeoman Road

Worthing

West Sussex

United Kingdom

BN13 3NX

Bankers

Natwest

15 Bishopsgate

London

United Kingdom

EC2N 3NW

Auditor

Deloitte LLP

Statutory Auditor

London

United Kingdom

Registered number

06301867

GREENSANDS INVESTMENTS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2017

Greensands Investments Limited (Registered No. 06301867) is incorporated in the United Kingdom and was established to complement the activities of the other companies in the Greensands Holdings group. The company continues to act as a holding company for Southern Water Capital Limited.

The company did not trade during the year, and there is no intention for it to trade in the future. The company's activity was in relation to financing and other administration matters of the Greensands Holdings group.

KEY PERFORMANCE INDICATORS

Greensands Investments Limited acts as an intermediate holding company for the overall group and as such does not have any KPIs as an individual company. KPIs are monitored at the group level and are disclosed in the consolidated financial statements of Greensands Holdings Limited which may be obtained from the Company Secretary at Southern House, Yeoman Road, Worthing, BN13 3NX.

Given the limited activity of the company, additional information including a review of the company's business, future developments and information of the principal risk and uncertainties facing the company is presented in the directors' report, but no further information is included in this strategic report.

Approved by the Board and signed on its behalf by.

A handwritten signature in black ink, appearing to be 'M Nagle', written in a cursive style.

M Nagle
Director
18 July 2017

GREENSANDS INVESTMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The directors of Greensands Investments Limited (Registered No. 06301867) present their annual report and audited financial statements for the year ended 31 March 2017.

The directors, in preparing this directors report, have complied with s414C of the Companies Act 2006.

PRINCIPAL ACTIVITIES

The principal activity of the company continued to be that of an intermediate holding company for the subsidiary undertaking disclosed in note 8 to the financial statements.

REVIEW OF THE BUSINESS, RESULTS AND DIVIDENDS

The company acted as a holding company during the year.

The company did not trade during the year, and there is no intention for it to trade in the future. The company's activity was in relation to financing and other administration matters of the Greensands Holdings group.

After net finance costs of £134.3m (2016: £125.2m), other costs of £1.2m (2016: £1.3m) and a tax credit of £23.0m (2016: £36.2m), the loss for the year was £112.5m (2016: £90.3m) as shown in the Income Statement on page 6.

No Interim dividends (2016: £nil) were paid during the year. The directors have not declared a final dividend for the year. The retained loss for the year of £112.5m (2016: £90.3m) has been transferred to the reserves. The directors have not declared a final dividend for the year ended 31 March 2017 (2016: £nil).

The company has net liabilities of £716.3m (2016: £603.8m) comprising of its investment in Southern Water Capital Limited of £1,344.7m (2016: £1,344.7m), amounts due from group undertakings of £357.6m (2016: £298.5m) and cash of £7.1m (2016: £17.7m), offset by amounts owed to group undertakings of £2,425.8m (2016: £2,264.7m).

The company is party to an agreement with Greensands Senior Finance Limited, to which it owes a debt of £2,301.0m (2016: £2,195.1m) setting the interest rate effective on this facility as 12.15% (2016: 10.83%) for the year ended 31 March 2017. Further, this agreement states that for the year ending 31 March 2018 and for the 12 months following the date these financial statements are signed the rate effective can be between 0.0% and 18.0%.

The company is party to an agreement with Southern Water Capital Limited, from which it is owed a debt of £40.6m (2016: £40.6m) setting the interest rate effective on this facility as 17.98% (2016: 14.45%) for the year ended 31 March 2017. Further, this agreement states that for the year ending 31 March 2018 and for the 12 months following the date these financial statements are signed the rate effective can be between 0.0% and 18.0%.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk that the company is exposed to is the occurrence of events that would result in an impairment to the value of its investment in Southern Water Capital Limited and the recoverability of its inter company debt. Ultimately this is reliant on cash funds being available at Southern Water Services Limited to support the group.

The directors are confident that these risks are mitigated by the use of effective risk management policies employed by Southern Water Services Limited. For further details regarding these policies please refer to the strategic report of Southern Water Services Limited.

GOING CONCERN

The directors have received confirmation that its ultimate parent undertaking, Greensands Holdings Limited, intends to support the company for at least one year after these financial statements are signed and accordingly believe that preparing the financial statements on the going concern basis is appropriate.

FUTURE DEVELOPMENTS

The directors expect the general level of activity to remain consistent with 2017 in the forthcoming year.

EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

There are no significant events after the statement of financial position date to report.

GREENSANDS INVESTMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017 (continued)

DIRECTORS

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

M Nagle	
A Truscott	
B Goodwin	Alternate director to A Truscott
P Moy	Resigned as director 20 July 2016
B Somes	Appointed as director and resigned as alternate director to P Moy 20 July 2016
J Woodard	Resigned as director and appointed as alternate director to B Somes 20 July 2016 and resigned as alternate director 26 April 2017
H de Run	Appointed as director 28 June 2016 and resigned as director 15 March 2017
R Daniels	Appointed as director 28 June 2016
R Wall	Appointed as director 15 March 2017

DIRECTORS' INDEMNITIES

The company maintains liability insurance for its directors and officers. Following shareholder approval, the company has also provided an indemnity for its directors and the Company Secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 Reduced Disclosure Framework. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company; and
- the management report, which is incorporated into the directors' report, includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that they face.

GREENSANDS INVESTMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017 (continued)

STATEMENT OF PROVISION OF INFORMATION TO AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- (2) each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

INDEPENDENT AUDITOR

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors and signed by order of the Board by:



J Statton
Company Secretary
18 July 2017

GREENSANDS INVESTMENTS LIMITED

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £m	2016 £m
Continuing operations			
Operating costs		(1.2)	(1.3)
Operating loss		<u>(1.2)</u>	<u>(1.3)</u>
Finance income	4	137.6	106.6
Finance costs	5	(271.9)	(231.8)
Net finance costs		<u>(134.3)</u>	<u>(125.2)</u>
Loss before taxation	6	<u>(135.5)</u>	<u>(126.5)</u>
Tax on loss	7	23.0	36.2
Loss for the financial year		<u><u>(112.5)</u></u>	<u><u>(90.3)</u></u>

There were no other comprehensive income or losses for the years ending 31 March 2016 and 31 March 2017, accordingly no separate statement of other comprehensive income is presented.

GREENSANDS INVESTMENTS LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Notes	2017 £m	2016 £m
Non-current assets			
Investments	8	1,344.7	1,344.7
Other non-current assets	9	164.9	164.9
		<u>1,509.6</u>	<u>1,509.6</u>
Current assets			
Trade and other receivables	10	192.8	133.7
Cash and cash equivalents		7.1	17.7
		<u>199.9</u>	<u>151.4</u>
Total assets		<u>1,709.5</u>	<u>1,661.0</u>
Current liabilities			
Trade and other payables	11	(57.2)	(2.1)
Non-current liabilities			
Borrowings: amounts falling due after one year	12	(2,368.6)	(2,262.7)
Total liabilities		<u>(2,425.8)</u>	<u>(2,264.8)</u>
Total net liabilities		<u>(716.3)</u>	<u>(603.8)</u>
Equity			
Called up share capital	13	1.0	1.0
Retained earnings		(717.3)	(604.8)
Total deficit		<u>(716.3)</u>	<u>(603.8)</u>

The financial statements of Greensands Investments Limited (Registered No. 06301867) were approved by the Board of Directors and authorised for issue on 18 July 2017.

Signed on behalf of the Board of Directors:



M Nagle
Director

GREENSANDS INVESTMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Called up share capital £m	Retained earnings £m	Total £m
Balance at 1 April 2015	1.0	(514.5)	(513.5)
Loss for the financial year	-	(90.3)	(90.3)
Balance at 31 March 2016	1.0	(604.8)	(603.8)
Loss for the financial year	-	(112.5)	(112.5)
Balance at 31 March 2017	1.0	(717.3)	(716.3)

GREENSANDS INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Basis of preparation

Greensands Investments Limited (the Company) is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 1. The nature of the company's operations and its principal activities are set out in the directors' report on page 3.

The company meets the definition of a qualifying entity under Financial Reporting Standard 100 (FRS 100) issued by the Financial Reporting Council (FRC). Accordingly, these financial statements were prepared in accordance with FRS 101 'Reduced Disclosure Framework' incorporating the Amendments to FRS 101 issued by the FRC in July 2015 and the amendments to Company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015. The principal accounting policies adopted which have been applied consistently throughout the current and preceding year are set out below.

The financial statements have been prepared on a going concern basis under the historical cost convention and are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates.

Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

The financial statements contain information about Greensands Investments Limited as an individual company and do not contain consolidated financial information as the parent of subsidiary companies. The company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of the ultimate holding company, Greensands Holdings Limited. The group financial statements of Greensands Holdings Limited are available to the public and can be obtained from the Southern Water website.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to presentation of a statement of cash flows, financial instruments, standards not yet effective and related party transactions. Where required, equivalent disclosures are given in the group financial statements of Greensands Holdings Limited.

GREENSANDS INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (continued)

1 Accounting policies (continued)

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company Greensands Holdings Limited. The directors have received confirmation that Greensands Holdings Limited intends to support the company for at least one year after these financial statements are signed.

Related party disclosure

The company has taken advantage of the exemption under FRS 101 paragraph 8(j) from the requirements of IAS 24, 'Related Party Disclosures', on the grounds that it is a wholly owned subsidiary of a group headed by Greensands Holdings Limited, whose financial statements are publicly available from the address in note 14.

Investments

Investments held as non-current assets are stated at cost, less provision, if appropriate, for any impairment in value other than a temporary impairment in value. The carrying values of non-current asset investments are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable. Interest income is accrued on a daily basis. Dividends and other investment income is accounted for when it becomes receivable.

Taxation

The taxation charge in the income statement represents the sum of the tax currently payable and deferred tax.

Current taxation is based on the profit for the year as adjusted for disallowable and non-taxable items and items of income or expense which are taxable or deductible in other years. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred taxation is tax expected to be payable on temporary differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is provided on all temporary differences that have originated but not reversed by the end of the reporting period. It is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the statement of financial position date.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is regarded as probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Interest income, interest payable and similar income and charges

Interest income, interest payable and similar income and charges are recognised on an accruals basis.

GREENSANDS INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (continued)

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1 above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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.

Critical judgements in applying the company's accounting policies

The following are the critical judgements that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

- (i) Impairment
Impairment is recognised in the income statement when there is evidence that the value of an investment is higher than the recoverable amount. Recoverable amount is the lower of, value in use or net realisable value. An impairment review requires management to make subjective judgements regarding the recoverable amount of the investment under review.

Key sources of estimation uncertainty

The directors believe that there are currently no key sources of estimation that the company is required to disclose.

3 Employee information

During the year the company had no employees (2016: None).

The services of the directors are deemed to be wholly attributable to their services to Greensands Holdings Limited, with only one director receiving payment for their services in the year to Greensands Holdings Limited. The total sum has been recorded in the consolidated financial statements of Greensands Holdings Limited, which are available to the public and can be obtained from the Southern Water website. Therefore, the directors received no emoluments during the year or the prior year in respect of their services to the company.

4 Finance income

	2017 £m	2016 £m
Interest receivable from Southern Water Capital Limited	18.5	17.0
Equity dividends received from Southern Water Capital Limited	119.1	89.6
	<u>137.6</u>	<u>106.6</u>

5 Finance costs

	2017 £m	2016 £m
Interest payable to group companies	<u>271.9</u>	<u>231.8</u>

GREENSANDS INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (continued)

6 Loss before taxation

In 2017 and 2016 management fees of £1.0m were recharged to the company for services administered by Southern Water Services Limited.

During the year audit fees of £1,000 (2016: £1,000) were borne by Greensands Holdings Limited and not recharged to the company.

7 Tax on loss

	2017	2016
	£m	£m
Current tax:		
Current year	23.0	36.2
Total current tax credit	23.0	36.2

The tax credit for the year can be reconciled to the income statement as follows:

	2017	2016
	£m	£m
Loss before taxation	(135.5)	(126.4)
UK corporation tax rate at 20% on loss for the year (2016: 20%)	27.1	25.3
Permanent differences arising on UK dividends from subsidiary	23.8	17.9
Group relief surrendered	(27.9)	(7.0)
Total tax credit for year	23.0	36.2

Factors that may affect future tax charges

Reductions in the main rate of corporation tax to 19% from the 1 April 2017 and to 18% from the 1 April 2020 were enacted in the Finance Bill 2015. It was subsequently announced in the 2016 UK Budget that the corporation tax rate would instead reduce to 17% from 1 April 2020. This has been substantively enacted in Finance Bill 2016 at the Balance sheet date.

No deferred tax arose during the year to 31 March 2017 (2016: nil).

8 Investments

	Shares in subsidiary undertakings
	£m
At cost & net book amount:	
At 1 April 2016 and 31 March 2017	1,344.7

Subsidiary undertakings

Company	Class of share capital	No shares issued at £1 each	% shares held	Activity	Country of incorporation	Registered office
Southern Water Capital Limited	Ordinary class A	5,000,000	100%	Holding company	UK	Southern House, Yeoman Road, Worthing, West Sussex, BN13 3NX
	Ordinary class B	35,050,000				

The directors are satisfied that the book value of investments is supported by their underlying net assets or position within the wider group.

GREENSANDS INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (continued)

8 Investments (continued)

By virtue of the company's ownership of Southern Water Capital Limited it also has the following indirect holdings in subsidiary undertakings of the below companies.

Company	Registered Office	Activity
Southern Water Investments Limited	Southern House, Yeoman Road, Worthing	Holding company
Southern Water Services Group Limited	Southern House, Yeoman Road, Worthing	Holding company
SWS Group Holdings Limited	Southern House, Yeoman Road, Worthing	Holding company
SWS Holdings Limited	Southern House, Yeoman Road, Worthing	Holding company
Southern Water Services Limited	Southern House, Yeoman Road, Worthing	Supply of Water and Wastewater Services
Southern Water Services Finance Limited*	Ugland House, PO Box 309, George Town, Grand Cayman	To raise debt finance
Southern Water Executive Pension Scheme Trustees Limited	Southern House, Yeoman Road, Worthing	Dormant
Southern Water Pension Trustees Limited	Southern House, Yeoman Road, Worthing	Dormant
Southern Water Retail Services Limited	Southern House, Yeoman Road, Worthing	Dormant
Southern Water (NR) Limited	1 Exchange Crescent, Conference Square, Edinburgh	Holding company
Southern Water Limited	Southern House, Yeoman Road, Worthing	Holding company
Bowsprit Holdings Limited	Southern House, Yeoman Road, Worthing	Dormant
Bowsprit Property Development Limited	Southern House, Yeoman Road, Worthing	To hold property rights
Monk Rawling Limited	Southern House, Yeoman Road, Worthing	Dormant
Southern Water Industries Limited	Southern House, Yeoman Road, Worthing	Dormant
EcoClear Limited	Southern House, Yeoman Road, Worthing	Dormant

* Southern Water Services Finance Limited is registered in the UK for tax purposes.

All of the above subsidiary companies are wholly owned by ordinary shares.

GREENSANDS INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (continued)

9 Other non-current assets

	2017	2016
	£m	£m
Amounts due from group undertakings (note (a) below)	164.9	164.9

Note (a)

- (i) All amounts due from group undertakings after one year are unsecured. Of this balance, £40.6m has accrued interest at 17.98% for the year ended 31 March 2017. For the year ending 31 March 2018 and for 12 months following the approval of these financial statements the interest rate charge has been decided by agreement of the directors of Greensands Investments Limited and Southern Water Capital Limited and has been set to between 0.0% and 18.0%. The directors have confirmed that this balance will not be called upon for 12 months from the date of these financial statements.
- (ii) Included in amounts due from group undertaking is a balance of £124.0m which carries interest at 9.0%.
- (iii) The remaining element of amounts due from group undertakings is unsecured, interest free and repayable on demand.

10 Trade and other receivables

	2017	2016
	£m	£m
Trade receivables	0.1	0.1
Amounts due from group undertakings	192.7	133.6
	192.8	133.7

All amounts due from group undertakings are unsecured, interest free and repayable on demand.

11 Trade and other payables

	2017	2016
	£m	£m
Amounts owed to group undertakings	57.2	2.0
Accruals	-	0.1
	57.2	2.1

All amounts payable to group undertakings due within one year are unsecured, interest free and repayable on demand.

12 Borrowings: amounts falling due after one year

	2017	2016
	£m	£m
Amounts owed to group undertakings	2,368.6	2,262.7

All amounts owed to group undertakings are unsecured. Of this balance, £2,301.0m accrued interest at 12.15% for the year ended 31 March 2017. Further, for the year ending 31 March 2018 and for 12 months from the date of signing of these financial statements the interest rate charge has been decided by agreement of the directors of Greensands Investments Limited and Greensands Senior Finance Limited and has been set to between 0.0% and 18.0%. The remaining balance of £67.6m is interest free. It has been confirmed by Greensands Holdings Limited and Greensands Senior Finance Limited that neither of these balances will be called upon for 12 months from the date of these financial statements.

	2017	2016
	£m	£m
Repayments fall due as follows:		
After five years not by instalments	2,368.6	2,262.7

GREENSANDS INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (continued)

13 Called up share capital

	2017 £m	2016 £m
Authorised, allotted, called up and fully paid:		
1,000,000 ordinary shares (2016: 1,000,000) of £1 each	<u>1.0</u>	<u>1.0</u>

14 Ultimate parent and controlling party

The immediate parent undertaking is Greensands Senior Finance Limited. The ultimate parent and controlling company is Greensands Holdings Limited (Registered Number: Jersey 98700), it was incorporated in Jersey and is itself owned and controlled by a consortium of investors. At 31 March 2017, the majority shareholder in Greensands Holdings Limited is an institutional investment company advised by J.P. Morgan Asset Management

Greensands Holdings Limited is the only group company that prepares consolidated financial statements, which contain the financial statements of Greensands Investments Limited. Copies of Greensands Holdings Limited's consolidated financial statements may be obtained from the Company Secretary of Greensands Holdings Limited, at Southern House, Yeoman Road, Worthing, BN13 3NX.

GREENSANDS INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREENSANDS INVESTMENTS LIMITED

We have audited the financial statements of Greensands Investments Limited for the year ended 31 March 2017 which comprise the income statement, the statement of financial position, the statement of changes in equity and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework."

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.

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the strategic report and 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 any material misstatements in the strategic report and the directors' report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREENSANDS INVESTMENTS LIMITED
(continued)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 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.



Anthony Matthews

Anthony Matthews (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
21 July 2017