

**SWS HOLDINGS LIMITED**

**ANNUAL REPORT**

**AND FINANCIAL STATEMENTS FOR THE YEAR ENDED**

**31 MARCH 2025**

**Registered number: 04324499**

## **COMPANY INFORMATION**

The company is a private company limited by shares.

### **Directors**

Stuart Ledger  
Richard Manning

### **Company secretary**

Richard Manning

### **Registered office**

Southern House  
Yeoman Road  
Worthing  
West Sussex  
BN13 3NX

### **Bankers**

HSBC Bank Plc  
PO Box 125  
2<sup>nd</sup> Floor, 62-76 Park Street  
London  
SE1 9DZ

### **Auditor**

Deloitte LLP  
Statutory Auditor  
2 New Street Square  
London  
EC4A 3BZ  
United Kingdom

### **Registered number**

04324499

**SWS HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31 MARCH 2025**

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**STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2025**

SWS Holdings Limited ('the company') (Registered No. 04324499) is incorporated in the United Kingdom and registered in England and Wales, and was established to complement the activities of the other companies in the Greensands Holdings group.

The company did not trade during the year, and there is no intention for it to trade in the future, however it continues to act as a holding company for Southern Water Services Limited.

**KEY PERFORMANCE INDICATORS**

SWS Holdings 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.

**S172 (1) STATEMENT**

As stated above, SWS Holdings Limited acts as a holding company for Southern Water Services Limited ('SWS'). As a holding company, SWS Holdings Limited has no employees, customers or suppliers. Consequently, the company's stakeholders are directly correlated to those of its subsidiary SWS.

The main role of the Board of SWS Holdings Limited is to make strategic decisions. The Board applies section 172(1) in its strategic decision making by acting in good faith and by considering how their decisions will promote the success of the company for the benefit of its members as a whole.

The Directors of SWS Holdings Limited continue to act in ways that have regard to the matters set out in section 172 (1) (a) to (f) of Companies Act 2006 when performing their duties. The purpose, culture and values that the board of SWS have established have been geared towards applying the matters outlined in section 172(1).

Under section 172 of the Companies Act 2006, directors need to consider the interests of the company's key stakeholders as well as the need to take into account the impact on the environment and the outcomes over the long term. SWS and its board engage with a variety of stakeholders through various mechanisms, including membership of stakeholder panels, regular meetings with stakeholders, public meetings as well as speaking to people and visiting operational sites.

Delivery for customers is one of SWS's key priorities. The board of SWS ('SW Board') receives regular reports from management regarding customer performance and attitudes. The introduction of performance metrics that take into account the wider customer experience has also led to an increased need for awareness of customer views. The needs of customers is a top concern of the SW Board, particularly where they may face significant challenges, whether these be financial, physical or mental health-related, as a result of the COVID-19 pandemic and current economic situation in particular.

The SW Board receive regular updates on environmental matters, including legislative changes, key areas of concern such as climate change, biodiversity and water resources. The SW Board receives regular updates on compliance and regulatory matters, regulators' reports and enterprise risk throughout the year. The SW Board is also updated on culture, employee engagement and ethical business, including the annual review and approval of the Code of Ethics.

Since the start of the COVID-19 pandemic, the SWS CEO has held regular 'Company Conversations' with its workforce which address a variety of topics, including SWS's performance. These forms of engagement are supported by regular Gallup all-employee surveys.

Regular meetings between senior representatives of SWS's key regulators – Ofwat, the EA and the DWI – and senior executives and Chair of SWS take place, in order to discuss our performance and compliance, as well as its plans for the future. Since the major investment by a fund managed by Macquarie Asset Management in the group, the three shareholder-nominated non-executive directors of SWS ensure that the views of its major shareholder are communicated. In addition, the SW Board and executives have engaged extensively with the new investor, including through various 'deep-dives' into aspects of SWS's operation and in terms of developing its strategy.

**STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2025 (continued)**

**S172 (1) STATEMENT (continued)**

**Managing risk**

SWS's approach to risk management is designed to provide a clear and consistent framework for managing and reporting risks associated with its operations, to executive management and to the SW Board. Its' risk management framework is the totality of systems, structures, policies, processes and people that identify, measure, monitor, report and control or mitigate internal and external sources of risk. The framework seeks to promote better decision-making, avoid incidents and encourage the best outcome for SWS and its customers through:

- 1 Risk identification and ownership: understand the risk environment, identify the specific risks the company faces and assess potential exposure.
- 2 Risk assessment: determine how best to manage identified risks to balance exposure.
- 3 Risk response: take action to manage the risks the company does not want to be exposed to, ensuring resources are effectively and efficiently prioritised and used.
- 4 Risk monitoring, reporting and escalation: report to the Audit Committee, the Health and Safety and Operational Risk Committee and to the SW Board on a periodic basis on how significant risks are being managed, monitored, assured and the improvements that are being made.
- 5 Risk appetite and communication: use analysis to support the SW Board's determination of risk appetite and to monitor and report against it.

**Risk management embedded in business processes**

SWS's risk management approach is embedded within the business units and their business processes. It has established a risk management approach that provides a consistent basis for measuring risk to:

- Establish a common understanding of risks on a like-for-like basis, taking into account potential impact and likelihood;
- Report risks and their management to the appropriate levels of the company;
- Inform prioritisation of specific risk management activities and resource allocation.

All areas of SWS review significant risks and business processes to help inform and enable risk-based decision-making. As part of SWS's annual planning process, the Executive Leadership Team and SW Board review the company's principal and emerging risks.

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 'Stuart Ledger', written over a horizontal line.

Stuart Ledger  
**Director**  
29 July 2025

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2025**

The directors of SWS Holdings Limited (Registered No. 04324499) present their annual report and the audited financial statements of the company for the year ended 31 March 2025.

**PRINCIPAL ACTIVITIES**

The company was established to complement the activities of the other companies in the group. The company continues to act as a holding company for Southern Water Services Limited.

**REVIEW OF THE BUSINESS, RESULTS AND DIVIDENDS**

The company did not trade during the year, and there is no intention for it to trade in the future, however it continues to act as a holding company for Southern Water Services Limited.

The company received dividends of £nil (2024: £nil) from its subsidiary company Southern Water Services Limited and declared and paid dividends of £nil (2024: £nil) to its parent company SWS Group Holdings Limited during the year.

The directors do not propose payment of a final dividend for the year ended 31 March 2025 (2024: £nil).

The company has net assets of £812.6m (2024: £812.6m) comprising an investment in Southern Water Services Limited of £812.6m (2024: £812.6m).

SWS Holdings Limited is a holding company for Southern Water Services Limited. Southern Water Services Limited recorded a loss after tax of £99.0m for the year to 31 March 2025 and had net assets of £871.4m at 31 March 2025.

The directors consider the results for the year to 31 March 2025 for Southern Water Services Limited sufficient to support its carrying value on the statement of financial position.

**PRINCIPAL RISK AND UNCERTAINTIES**

The principal risk that the company is exposed to is the occurrence of events that would result in impairment to the value of its investment in Southern Water Services Limited.

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 in its Annual Report which can be obtained from the Company Secretary of Southern Water Services Limited, at the registered address, Southern House, Yeoman Road, Worthing, BN13 3NX or on its website at <https://www.southernwater.co.uk/annual-report-2025/>.

**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Southern Water Group manages its treasury operations on a group basis. Financial risk management is performed by Southern Water Services Limited's Treasury department. This includes assessment and mitigation of price risk, credit risk, liquidity risk and interest rate cash flow risk. The group's treasury management policies and operations are discussed in Southern Water Services' Annual Report and Financial Statements (which does not form part of this report).

**STREAMLINED ENERGY AND CARBON REPORT**

The company is exempt from producing the Streamlined Energy and Carbon Report (SECR) by virtue of the fact it is non-trading and does not directly consume energy. The SECR for the group is included in the consolidated financial statements of Greensands Holdings Limited, which are available to the public and can be obtained from the Southern Water website ([www.southernwater.co.uk](http://www.southernwater.co.uk)).

**FUTURE DEVELOPMENTS**

The directors expect the general level of activity to remain consistent with 2025 in the forthcoming year, however there may be wider economic factors, such as the rising cost of inflation, which could affect future company dealings. However, the company is safeguarded by being a holding company not engaged in any trade. The underlying operational company Southern Water Services Limited has considered the impact of wider economic factors and disclosed this in its Annual Report which can be obtained from the Company Secretary of Southern Water Services Limited, at the registered address, Southern House, Yeoman Road, Worthing, BN13 3NX or on its website at <https://www.southernwater.co.uk/annual-report-2025/>.

Southern Water Services Limited is expected to continue in operational existence for the foreseeable future.

**EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE**

On 4 July 2025, Sandstone Bidco Limited acquired the issued share capital of Greensands Junior Finance Limited and Southern Water (Greensands) Financing plc from Greensands (UK) Limited (in administration), becoming the new indirect UK holding company of SWS Holdings Limited, replacing Greensands Holdings Limited, the previous UK holding company.

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2025 (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:

Richard Manning  
Stuart Ledger

**GOING CONCERN**

The directors believe, after due and careful enquiry, that the company has sufficient resources for its present requirements and, therefore, consider it appropriate to adopt the going concern basis in preparing the financial statements to 31 March 2025, notwithstanding the material uncertainty discussed below.

SWS Holdings Limited is a company within the group of companies formerly headed by Greensands Holdings Limited (GSH) (for details of the new ultimate parent company, refer to the subsequent events disclosure in note 15). These companies exist to support the only operating company within the group, Southern Water Services Limited (SWS), the subsidiary company of SWS Holdings Limited.

No trading activity is carried out by SWS Holdings Limited, which is therefore dependent upon SWS to support its existence.

SWS disclosed a material uncertainty with respect to going concern in its annual report and accounts for 2024-25, related to a number of connected events that are outside the control of the Board and which may cast significant doubt on SWS's and therefore the company's ability to continue as a going concern such that it may be unable to realise its assets and discharge its liabilities in the normal course of business:

- A future downgrade to a sub investment grade credit rating or a failure to meet our legal obligations could, depending on the circumstances and the approach of Ofwat, result in a breach of the company's Instrument of Appointment, which could possibly result in a consequent event of default under the terms of the company's financing arrangements.
- The company requires additional equity funding to finance the company through the going concern period, which as of the date of the report, has not yet been fully committed as it is subject to the completion of a number of technical conditions. Until these have been met there is no guarantee this equity will be received.
- Failure to raise equity or debt funding, or significant operational under performance could lead to a potential Post Maintenance Interest Cover Ratio (PMICR) covenant breach or ratings downgrade. A future downgrade to a sub-investment grade credit rating or breach of the PMICR covenant would result in an event of default under the terms of the company's financing arrangements.

The directors of Southern Water Services Limited have the following actions within their control and available to them in order to manage cashflows during the going concern period, to avoid a covenant or liquidity breach:

- Rephasing capital spend within the relevant AMP.
- Rephasing other spending, in particular:
  - i. Capital maintenance spend.
  - ii. Non-essential operating costs.
  - iii. Working with suppliers on payment terms.

In addition, the directors of Southern Water Services Limited could seek to renegotiate the interest terms or use derivatives to vary the net interest payable amount, although their ability to do this is not completely within their control.

Further details are set out in the going concern section of the Directors' Report in the Southern Water Services Annual Report which can be downloaded at <https://www.southernwater.co.uk/annual-report-2025/>.

However, notwithstanding the material uncertainty above, on the basis of their assessment of the Southern Water Services Limited's financial position as disclosed in the financial statements published on 15 July 2025, and the board approved latest cash flow forecast, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the approval of these financial statements. This assessment includes consideration of the forecast cash flows over the 14 months to September 2026, and the capital structure of the company and financing needs for the period. For this reason, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2025 (continued)**

**DIRECTORS' INDEMNITIES**

The company maintains liability insurance for its directors and officers, which is also maintained for the directors and officers of its holding companies and fellow subsidiaries. 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. An indemnity has also been provided for the directors and company secretaries of the company's holding companies and fellow subsidiaries.

**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; 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.

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

**STATEMENT OF DISCLOSURE 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 continue in office. Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements will be 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 on its behalf by:



Richard Manning  
Director  
29 July 2025



# SWS HOLDINGS LIMITED

## INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £m	2024 £m
<b>Continuing operations</b>			
Finance income	6	-	-
<b>Result before taxation</b>	7	<hr/> -	<hr/> -
Tax on result	8	-	-
<b>Result for the financial year</b>		<hr/> <hr/> -	<hr/> <hr/> -

The above result relates to continuing operations.

There was no other comprehensive income or losses for the years ended 31 March 2024 and 31 March 2025. Accordingly, no separate statement of comprehensive income is presented.

The Notes on pages 9 to 14 form part of these financial statements.

# SWS HOLDINGS LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

	Notes	2025 £m	2024 £m
<b>Non-current assets</b>			
Investments	10	812.6	812.6
<b>Net assets</b>		<u>812.6</u>	<u>812.6</u>
<b>Equity</b>			
Called up share capital	11	37.7	37.7
Share premium account	12	774.9	774.9
<b>Total equity</b>		<u>812.6</u>	<u>812.6</u>

The financial statements of SWS Holdings Limited (Registered No. 04324499) were approved by the Board of Directors and authorised for issue on 29 July 2025.

They were signed on its behalf by:



Stuart Ledger  
Director

**SWS HOLDINGS LIMITED**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2025**

	Called up share capital (Note 11) £m	Share premium Account (Note 12) £m	Retained earnings £m	Total £m
<b>Balance at 1 April 2023</b>	0.2	437.4	-	<b>437.6</b>
Issue of shares (note 11)	37.5	337.5	-	375.0
Result for the financial year	-	-	-	-
<b>Total comprehensive result for the year</b>	<b>37.7</b>	<b>774.9</b>	<b>-</b>	<b>812.6</b>
Equity dividends paid (note 9)	-	-	-	-
<b>Balance at 31 March 2024</b>	<b>37.7</b>	<b>774.9</b>	<b>-</b>	<b>812.6</b>
Result for the financial year	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>37.7</b>	<b>774.9</b>	<b>-</b>	<b>812.6</b>
Equity dividends paid/declared (note 9)	-	-	-	-
<b>Balance at 31 March 2025</b>	<b>37.7</b>	<b>774.9</b>	<b>-</b>	<b>812.6</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

**1 General information**

SWS Holdings Limited 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 nature of the company's operations and its principal activities are set out in the directors' report on page 3. The address of the registered office is given within the company information section.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates.

The financial statements contain information about SWS Holdings Limited as an individual company. The company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the publicly available consolidated financial statements of the holding company, Greensands Holdings Limited, from the address given in note 13.

**2 Adoption of new and revised Standards**

There are no new major standards applicable for the year ended 31 March 2025. A number of amendments however are effective for periods beginning from 1 January 2024. These changes had no impact on the company's financial statements.

**3 Material accounting policies**

**Basis of accounting**

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council (FRC). Accordingly, these financial statements were prepared in accordance with FRS 101 'Reduced Disclosure Framework'.

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, standards not yet effective and related party transactions. Where required, equivalent disclosures are given in the group financial statements of Greensands Holdings Limited.

The financial statements have been prepared under the historical cost convention.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)****3 Material accounting policies (continued)****Going concern**

The directors believe, after due and careful enquiry, that the company has sufficient resources for its present requirements and, therefore, consider it appropriate to adopt the going concern basis in preparing the financial statements to 31 March 2025, notwithstanding the material uncertainty discussed below.

SWS Holdings Limited is a company within the group of companies formerly headed by Greensands Holdings Limited (GSH) (for details of the new ultimate parent company, refer to the subsequent events disclosure in note 15). These companies exist to support the only operating company within the group, Southern Water Services Limited (SWS), the subsidiary company of SWS Holdings Limited.

No trading activity is carried out by SWS Holdings Limited, which is therefore dependent upon SWS to support its existence.

SWS disclosed a material uncertainty with respect to going concern in its annual report and accounts for 2024-25, related to a number of connected events that are outside the control of the Board and which may cast significant doubt on SWS's and therefore the company's ability to continue as a going concern such that it may be unable to realise its assets and discharge its liabilities in the normal course of business:

- A future downgrade to a sub investment grade credit rating or a failure to meet our legal obligations could, depending on the circumstances and the approach of Ofwat, result in a breach of the company's Instrument of Appointment, which could possibly result in a consequent event of default under the terms of the company's financing arrangements.
- The company requires additional equity funding to finance the company through the going concern period, which as of the date of the report, has not yet been fully committed as it is subject to the completion of a number of technical conditions. Until these have been met there is no guarantee this equity will be received.
- Failure to raise equity or debt funding, or significant operational under performance could lead to a potential Post Maintenance Interest Cover Ratio (PMICR) covenant breach or ratings downgrade. A future downgrade to a sub-investment grade credit rating or breach of the PMICR covenant would result in an event of default under the terms of the company's financing arrangements.

The directors of Southern Water Services Limited have the following actions within their control and available to them in order to manage cashflows during the going concern period, to avoid a covenant or liquidity breach:

- Rephasing capital spend within the relevant AMP.
- Rephasing other spending, in particular:
  - i. Capital maintenance spend.
  - ii. Non-essential operating costs.
  - iii. Working with suppliers on payment terms.

In addition, the directors of Southern Water Services Limited could seek to renegotiate the interest terms or use derivatives to vary the net interest payable amount, although their ability to do this is not completely within their control.

Further details are set out in the going concern section of the Directors' Report in the Southern Water Services Annual Report which can be downloaded at <https://www.southernwater.co.uk/annual-report-2025/>.

However, notwithstanding the material uncertainty above, on the basis of their assessment of the Southern Water Services Limited's financial position as disclosed in the financial statements published on 15 July 2025, and the board approved latest cash flow forecast, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the approval of these financial statements. This assessment includes consideration of the forecast cash flows over the 14 months to September 2026, and the capital structure of the company and financing needs for the period. For this reason, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**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 13.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)****3 Material accounting policies (continued)****Investments**

Investments held as fixed 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 fixed non-current asset investments are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable. Dividends and other investment income is accounted for when it becomes receivable.

**Dividends payable**

Dividends payable are included in the company financial statements in the period in which the related dividends are actually paid or payable, in respect of the company's final dividend for the year, approved by shareholder.

**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 balance sheet 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 balance sheet 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.

**4 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, which are described in note 3 above, the directors may be 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.

Any 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.

The company has no critical accounting judgements or key sources of estimation uncertainty that are applied in the preparation of the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)**

**5 Employee information**

The company has no employees (2024: none).

The services of the directors are deemed to be wholly attributable to their services to Southern Water Services Limited. The directors received no emoluments during the year or the prior year in respect of their services to the company. Accordingly no details in respect of the emoluments paid to the directors are included here as they are fully disclosed in the financial statements of Southern Water Services Limited.

**6 Finance income**

	2025 £m	2024 £m
Dividends received from Southern Water Services Limited	-	-

**7 Result before taxation**

In 2024 and 2025, the company audit fees were borne by Greensands Holdings Limited and not recharged to the company. The total audit fee for the group (excluding Southern Water Services) is £127,000 (2024: £123,000). There were no non-audit fees for years ended 31 March 2024 and 2025.

**8 Tax on result**

No UK tax charge arises in respect of the result for the year (2024: nil).

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

	2025 £m	2024 £m
<b>Result before tax</b>	-	-
UK corporation tax rate at 25% on result for the year (2024: 25%)	-	-
Non-taxable dividends	-	-
<b>Total tax for year</b>	-	-

**Factors that may affect future tax charges**

The Spring Finance Bill 2024 confirmed that the main rate of corporation tax remains at 25% and therefore all of our deferred assets and liabilities have been calculated at 25% rate.

**9 Equity dividends paid/declared**

	2025 £ per ordinary share	2024 £ per ordinary share	2025 Total £m	2024 Total £m
Interim dividend – Q1	-	-	-	-
Interim dividend – Q2	-	-	-	-
Interim dividend – Q3	-	-	-	-
Interim dividend – Q4	-	-	-	-
<b>Total dividend</b>	-	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

## 10 Investments

Shares in subsidiary undertakings	2025 £m	2024 £m
Balance at 1 April	812.6	437.6
Additions	-	375.0
Balance at 31 March	<u>812.6</u>	<u>812.6</u>

On 19 October 2023, the company acquired a further 37,500,000 Ordinary shares of £1 each in Southern Water Services Limited for £10 per share.

## Subsidiary undertakings

Company	Class of share capital	No shares issued at £1 each	% shares held	Activity	Country of incorporation
Southern Water Services Limited	Ordinary	37,612,000	100%	Water and waste water service provider	UK

The investment represents a 100 per cent holding of the issued ordinary shares of Southern Water Services Limited (SWS), a company incorporated in the United Kingdom. The address of the registered office of the company is Southern House, Yeoman road, Worthing, West Sussex, BN13 3NX. The principal activity of SWS is the provision of water supply and wastewater services in the South East of England.

By virtue of the company's ownership of SWS it also has the following indirect holdings in subsidiary undertakings of SWS at 31 March 2024:

Company	Registered Office	Class of share capital	Activity
Southern Water (Finance) I Plc	Southern House, Yeoman Road, Worthing	Ordinary (100%)	To raise debt finance
Southern Water (Finance) II Ltd	Southern House, Yeoman Road, Worthing	Ordinary (100%)	To raise debt finance
Southern Water Executive Pension Scheme Trustees Limited	Southern House, Yeoman Road, Worthing	Ordinary (100%)	Dormant
Southern Water Pension Trustees Limited	Southern House, Yeoman Road, Worthing	Ordinary (100%)	Dormant

The directors believe that the carrying value of the investments is supported by their underlying net assets.

## 11 Called up share capital

	2025 £m	2024 £m
Authorised, allotted, called up and fully paid		
37,700,200 ordinary shares (2024: 37,700,200) of £1 each	<u>37.7</u>	<u>37.7</u>

On 19 October 2023, 37,500,000 ordinary shares with aggregate nominal value of £37.5 million were issued at £10 each to SWS Group Holdings Limited. The premium arising on issue is shown in note 12.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

**12 Share premium account**

	2025 £m	2024 £m
<b>Balance at 1 April</b>	<b>774.9</b>	437.4
Issued for cash	-	337.5
<b>Balance at 31 March</b>	<b>774.9</b>	774.9

**13 Ultimate parent and controlling party**

The immediate parent company is SWS Group Holdings Limited.

At 31 March 2025 Greensands Holdings Limited (Registered Number: Jersey 98700) was the parent undertaking and controlling party of the smallest and largest and only group to consolidate these financial statements. Greensands Holdings Limited was incorporated in Jersey and its registered office address is 44 Esplanade, St Helier, Jersey, United Kingdom, JE4 9WG. Copies of the consolidated financial statements may be obtained from the Company Secretary of Greensands Holdings Limited, at Southern House, Yeoman Road, Worthing, BN13 3NX, or from the Southern Water website. See note 15 for change to the ultimate parent company and ultimate controlling party.

Macquarie Asset Management, as the major shareholder in the consortium of investors owning GSH, is considered to be a related party of the company as they have the ability to influence the financial and operating policies of both the company and the group.

The company has taken advantage of the exemption under FRS 101 'Reduced Disclosure Framework' in not disclosing details of transactions with other companies which are 100% wholly owned. Equivalent disclosures are given in the group financial statements of Greensands Holdings Limited.

**14 Contingent liabilities**

The company's share capital has been provided as security under a fixed charge for the borrowings of SW (Finance) I Plc, SW (Finance) II Limited and Southern Water Services Limited.

**15 Events after the statement of financial position date**

On 4 July 2025, Sandstone Bidco Limited acquired the issued share capital of Greensands Junior Finance Limited and Southern Water (Greensands) Financing plc from Greensands (UK) Limited (in administration), becoming the new indirect UK holding company of SWS Holdings Limited, replacing Greensands Holdings Limited, the previous UK holding company.

**INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF SWS HOLDINGS LIMITED**

**Report on the audit of the financial statements**

**Opinion**

In our opinion the financial statements of SWS Holdings Limited (the ‘company’):

- give a true and fair view of the state of the company’s affairs as at 31 March 2025 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 “Reduced Disclosure Framework”; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 15.

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

**Basis for opinion**

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

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council’s (the ‘FRC’s’) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material uncertainty relating to going concern**

We draw attention to note 3 in the financial statements, which indicates that SWS Holdings Limited is part of the group formerly headed by Greensands Holding Limited (GSH) as at 31 March 2025 (now headed by Sandstone Bidco Limited). Its fellow subsidiary Southern Water Services Limited (SWS) is the only trading entity within the GSH group and hence all other group companies ultimately rely on SWS’s financial performance to generate cash in order to meet their liabilities as they fall due. In its financial statements issued on 15 July 2025, SWS identified a material uncertainty with respect to going concern as a future downgrade to a sub investment grade rating or breach of the PMICR covenant would result in an event of default under the terms of the SWS’s financing arrangements. Further, SWS requires additional equity funding to finance the company through the going concern period, which as of the date of this report has not been committed as it is subject to the completion of a number of technical conditions. A failure to raise equity or debt funding, or significant operational under performance could lead to a potential PMICR covenant breach or ratings downgrades.

As stated in note 3, these events or conditions, along with the other matters as set forth in note 3, indicate that a material uncertainty exists that may cast significant doubt on the company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SWS HOLDINGS LIMITED (continued)****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.

**Responsibilities of directors**

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

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

**Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SWS HOLDINGS LIMITED (continued)**

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in house legal counsel concerning actual and potential litigation and claims, and instances of non-compliances with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

**Report on other legal and regulatory requirements**

**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 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 directors' report.

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

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

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

We have nothing to report in respect of these matters.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SWS HOLDINGS LIMITED (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.



Makhan Chahal (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP, Statutory Auditor  
London, United Kingdom  
29 July 2025