

AFFINITY WATER HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(Registered Number 08350099)

Affinity Water Holdings Limited

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Affinity Water Holdings Limited

Directors' report for the year ended 31 March 2017

Introduction

The directors present their report and the audited statutory financial statements for the year ended 31 March 2017.

Future developments

It is anticipated the company will continue to invest and manage its long term interests in the water industry in the United Kingdom for the foreseeable future.

Dividends

The directors have declared and paid the following dividends during the year ended 31 March 2017:

Ordinary dividends:	£000
First interim paid in July 2016	30,000
Second interim paid in September 2016	6,000
Third interim paid in March 2017	14,500
	<hr/> <hr/>
	50,500

This compares to interim dividends of £40,000,000 declared and paid in the year ended 31 March 2016.

The directors do not recommend a final dividend (2016: nil).

Directors

The directors of the company, who were in office during the year and up to the date of signing the financial statements except where noted, were as follows:

Duncan Bates
Simon Cocks
Gareth Craig (appointed 19 May 2017)
Georgina Dellacha (appointed 13 September 2016, resigned 19 May 2017)
Alberto Donzelli (resigned 19 May 2017)
Tom Goosens (appointed 19 May 2017)
Jaroslava Korpancova (appointed 19 May 2017)
Stephen Nelson (resigned 19 May 2017)
Nigel Paterson (resigned 19 May 2017)
Tobias Richardson (appointed 19 May 2017)
Angela Roshier (appointed 19 May 2017)
Yacine Saidji (resigned 19 May 2017)

Duncan Bates will resign from the Board during July 2017.

Company Secretary

Tim Monod

Affinity Water Holdings Limited

Directors' report for the year ended 31 March 2017 (continued)

Events after the reporting period

On 12 April 2017 the Board approved a dividend of £6,500,000 to Affinity Water Capital Funds Limited.

On 19 May 2017, Affinity Water Acquisitions (Investments) Limited, the company's ultimate holding and controlling company in the United Kingdom, was sold to a consortium comprising Allianz Capital Partners on behalf of the Allianz Group, HICL Infrastructure Company Limited (advised by InfraRed Capital Partners Limited) and DIF.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice; 'UK GAAP'), including Financial Reporting Standard 101: 'Reduced disclosure Framework' ('FRS 101').

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the company's shareholder in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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.

Disclosure of information to auditors

Each director in office at the date of the directors' report confirms that:

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

Affinity Water Holdings Limited

Directors' report for the year ended 31 March 2017 (continued)

Independent auditor

PricewaterhouseCoopers LLP

The auditor, PricewaterhouseCoopers LLP, has indicated its willingness to continue in office and a resolution concerning its re-appointment will be proposed by the Board.

By order of the Board

Tim Monod
Company Secretary
27 June 2017

Independent auditor's report to the member of Affinity Water Holdings Limited

Report on the financial statements

Our opinion

In our opinion, Affinity Water Holdings Limited's financial statements (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 profit 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.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the statement of financial position as at 31 March 2017;
- the income statement for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced disclosure framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

Independent auditor's report to the member of Affinity Water Holdings Limited (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's member in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

Independent auditor's report to the member of Affinity Water Holdings Limited (continued)

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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. With respect to the Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.

Owen Mackney (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge
27 June 2017

Affinity Water Holdings Limited

Income statement for the year ended 31 March 2017 (Registered Number 08350099)

	Note	2017 £000	2016 £000
Operating result	4	-	-
Income from shares in subsidiary		50,500	40,000
Profit on ordinary activities before income tax		50,500	40,000
Income tax expense on ordinary activities	6	-	-
Profit for the year		50,500	40,000

The notes on pages 10 to 17 are an integral part of these financial statements.

All profits of the company in the current year and prior year are from continuing operations.

The company has no other comprehensive income in either the current year or prior year other than the results above, therefore a statement of comprehensive income has not been presented.

Affinity Water Holdings Limited

Statement of financial position as at 31 March 2017

(Registered Number 08350099)

	Note	2017 £000	2016 £000
Non-current assets			
Investments	8	287,670	287,670
Net assets		287,670	287,670
Equity			
Ordinary shares	9	287,670	287,670
Retained earnings		-	-
Total shareholder's funds		287,670	287,670

The notes on pages 10 to 17 are an integral part of these financial statements.

The financial statements on pages 7 to 17 were authorised for issue by the Board of directors on 27 June 2017 and were signed on its behalf by:

Duncan Bates
Director

Affinity Water Holdings Limited

Statement of changes in equity for the year ended 31 March 2017 (Registered Number 08350099)

	Share capital £000	Retained earnings £000	Total £000
Balance as at 1 April 2015	287,670	-	287,670
Profit for the year	-	40,000	40,000
Total comprehensive income for the year	-	40,000	40,000
Dividends	-	(40,000)	(40,000)
Total transactions with owner, recognised directly in equity	-	(40,000)	(40,000)
Balance as at 31 March 2016	287,670	-	287,670
Balance as at 1 April 2016	287,670	-	287,670
Profit for the year	-	50,500	50,500
Total comprehensive income for the year	-	50,500	50,500
Dividends	-	(50,500)	(50,500)
Total transactions with owner, recognised directly in equity	-	(50,500)	(50,500)
Balance as at 31 March 2017	287,670	-	287,670

The notes on pages 10 to 17 are an integral part of these financial statements.

Affinity Water Holdings Limited

Notes to the financial statements for the year ended 31 March 2017

1. General information

Affinity Water Holdings Limited ('the company') manages an investment in Affinity Water Limited.

The company is a private company and is incorporated and domiciled in the United Kingdom. The address of its registered office is Tamblin Way, Hatfield, Hertfordshire, AL10 9EZ.

2. Summary of significant accounting policies

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

2.1 Basis of preparation

These financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The company meets the definition of a qualifying entity under Financial Reporting Standard 100: 'Application of financial reporting requirements' ('FRS 100') issued by the Financial Reporting Council ('FRC'). Accordingly, in the year ended 31 March 2017 the company has prepared its financial statements under FRS 101 as issued by the FRC.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7: 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13: 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of International Accounting Standard ('IAS') 1: 'Presentation of financial statements' comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1
- The following paragraphs of IAS 1: 'Presentation of financial statements':
 - 10(d) (statement of cash flows),
 - 10(f) (a statement of financial position as at the beginning of the preceding year when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
 - 16 (statement of compliance with all IFRS),
 - 38A (requirement for minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information),
 - 40A-D (requirements for a third statement of financial position),
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures)

Affinity Water Holdings Limited

Notes to the financial statements for the year ended 31 March 2017 (continued)

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

- IAS 7: 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8: 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24: 'Related party disclosures' (key management compensation)
- The requirements in IAS 24: 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

The group financial statements of Affinity Water Acquisitions (Investments) Limited, the company's ultimate holding and controlling company in the United Kingdom, are publically available and can be obtained as set out in note 11.

2.2 Going concern

The directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements. This is based on assessment of the principal risks of the company and consideration of the company's budgeted cash flows, long term forecasts and related assumptions, as well as available debt facilities.

2.3 Changes in accounting policy and disclosures

Standards and interpretations which are not yet effective and have not been early adopted by the company are listed below.

- IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for the annual period beginning on 1 April 2018. The full impact of IFRS 15 is currently being assessed by management and the rest of the water industry.
- IFRS 16, 'Leases' addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from IFRS 16 is that most operating leases will be accounted for on balance sheet for lessees. The standard replaces IAS 17 'Leases', and related interpretations. The standard is effective for the annual period beginning on 1 April 2019. The full impact of IFRS 16 is currently being reviewed by management.
- IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in IAS 39, 'Financial instruments', that relates to the classification and measurement of financial instruments. The standard is effective for the annual period beginning on 1 April 2018. Management are considering the impacts of the standard although it is not likely to be material given the nature of the company's financing arrangements.

Affinity Water Holdings Limited

Notes to the financial statements for the year ended 31 March 2017 (continued)

2. Summary of significant accounting policies (continued)

2.4 Consolidation

The company is a majority owned subsidiary of Affinity Water Acquisitions (Investments) Limited. It is included in the consolidated financial statements of Affinity Water Acquisitions (Investments) Limited which are publically available. Therefore the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are separate financial statements.

2.5 Investment in subsidiary

The company's investments in subsidiary is held at cost less accumulated impairment losses. Its investment is tested annually for impairment.

2.6 Dividend income

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

2.7 Dividend distributions

Dividend distributions to the company's shareholder are recognised as a liability in the company's financial statements in the year in which the dividends are approved by the company's shareholder.

2.8 Current income tax

The current income tax expense is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's current tax expense is calculated using tax rates that have been enacted or substantively enacted by the date of the statement of financial position.

Affinity Water Holdings Limited

Notes to the financial statements for the year ended 31 March 2017 (continued)

3. Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of investment in subsidiary

Determining whether the company's investment in its subsidiary has been impaired requires an estimation of the investment's value in use. The value in use calculation uses an estimate of the enterprise value of Affinity Water Limited, the principal trading direct subsidiary of the company, which is based on its regulatory capital value at the year-end and market premiums paid for UK water supply companies. The carrying amount of investments in subsidiaries at the date of the statement of financial position was £287,670,000 (2016: £287,670,000) with no impairment losses recognised in either 2016 or 2017.

4. Operating result

	2017	2016
	£000	£000
Operating result is stated after charging:		
Audit fees payable to the company's auditor	-	-

The auditor's remuneration for audit services in the year amounted to £5,500 (2016: £5,000), with such costs being borne by Affinity Water Limited, the direct subsidiary of the company. The auditor received no other remuneration for services provided to the company in either the current or prior year.

5. Employees and directors

Employees

The company had no employees in the current year (2016: nil).

Directors

No remuneration or pension contributions were directly paid to directors for services to the company (2016: nil).

The directors who sat on the Board as representatives of Infracapital Partners II, North Haven Infrastructure Partners and Veolia Water UK Limited have recharged £100,000 (2016: £100,000) to the company's indirect parent, Affinity Water Acquisitions Limited.

Affinity Water Holdings Limited

Notes to the financial statements for the year ended 31 March 2017 (continued)

6. Income tax expense

Tax expense included in the income statement

	2017	2016
	£000	£000
Current tax:		
UK Corporation tax on profit for the year	-	-
Tax on profit on ordinary activities	-	-

The tax charge for the year is lower (2016: lower) than the standard rate of corporation tax in the UK for the year ended 31 March 2017 of 20% (2016: 20%). The differences are explained below:

	2017	2016
	£000	£000
Profit on ordinary activities before tax	50,500	40,000
Profit multiplied by the standard rate of tax in the UK of 20% (2016: 20%)	10,100	8,000
Effects of:		
Income not subject to tax	(10,100)	(8,000)
Tax charge	-	-

The tax rate for the current year (20%) is the same as the prior year.

In October 2015 and September 2016, changes were enacted to the main rate of corporation tax in the UK from 20% to 19% effective from 1 April 2017 and from 19% to 17% effective from 1 April 2020.

Income not subject to tax relates to the dividends received from Affinity Water Limited.

7. Dividends

	2017	2016
	£000	£000
Ordinary:		
Paid: First interim of £15,000,000 per share in July 2016 (April 2015: £4,500,000)	30,000	9,000
Paid: Second interim of £3,000,000 per share in September 2016 (July 2015: £2,750,000)	6,000	5,500
Paid: Third interim of £7,250,000 per share in March 2017 (September 2015: £6,750,000)	14,500	13,500
Paid: Fourth interim (December 2015: £4,000,000)	-	8,000
Paid: Fifth interim (March 2016: £2,000,000)	-	4,000
	50,500	40,000

Affinity Water Holdings Limited

Notes to the financial statements for the year ended 31 March 2017 (continued)

8. Investments

	2017 £000	2016 £000
Investment in subsidiary undertaking	<u>287,670</u>	<u>287,670</u>

Investments comprise the following subsidiary undertaking of the company:

Name of company	Registered address	Nature of business	Type of holding	Proportion of voting rights and shares held
Affinity Water Limited	Tamblin Way, Hatfield, Hertfordshire, AL10 9EZ	Water supply	Ordinary shares	100%

Affinity Water Limited is incorporated in the United Kingdom with registered address Tamblin Way, Hatfield, Hertfordshire, AL10 9EZ.

The company received dividends of £50,500,000 (2016: £40,000,000) from Affinity Water Limited in the year.

The company has an indirect holding in the subsidiaries of Affinity Water Limited; Affinity Water Finance (2004) PLC and Affinity Water Programme Finance Limited. Details of these subsidiaries are included in the annual report and financial statements of Affinity Water Limited for the year ended 31 March 2017.

9. Share capital

	2017 £	2016 £
Allotted and called up share capital 2 (2016: 2) ordinary shares of £1.00 each	<u>2</u>	<u>2</u>

The company was incorporated on 7 January 2013. The company issued one £1 ordinary share on 7 January 2013 to Affinity Water Capital Funds Limited, its immediate parent company. A further £1 ordinary share was issued on 4 February 2013 to Affinity Water Capital Funds Limited at a premium of £287,670,000. At 31 March 2017 the share capital of £2 remained unpaid.

10. Related party transactions

The following related party transactions have occurred during the year:

Dividends received from Affinity Water Limited: £30,000,000 received in July 2016, £6,000,000 received in September 2016 and £14,500,000 received in March 2017 (2016: 40,000,000).

Dividends paid to Affinity Water Capital Funds Limited: £30,000,000 paid in July 2016, £6,000,000 paid in September 2016 and £14,500,000 paid in March 2017 (2016: 40,000,000).

There were no outstanding balances at the end of the year.

Affinity Water Holdings Limited

Notes to the financial statements for the year ended 31 March 2017 (continued)

11. Ultimate parent company and controlling party

The immediate parent undertaking of the company is Affinity Water Capital Funds Limited, a company registered in England and Wales.

Affinity Water Capital Funds Limited is majority owned by Affinity Water Acquisitions (Investments) Limited, a company registered in England and Wales. Affinity Water Acquisitions (Investments) Limited is the parent undertaking of the smallest and largest group to consolidate the statutory financial statements of this company for the year ended 31 March 2017.

The directors consider that Affinity Water Acquisitions (Investments) Limited was the ultimate holding and controlling company in the United Kingdom during the year.

Copies of the group financial statements of Affinity Water Acquisitions (Investments) Limited for the year ended 31 March 2017 may be obtained from the Company Secretary, Tamblin Way, Hatfield, Hertfordshire, AL10 9EZ.

Affinity Water Acquisitions (Investments) Limited was owned by a consortium of investors led by Infracapital Partners II (consisting of Infracapital Partners II LP and Infracapital Partners (NT) II LP) and North Haven Infrastructure Partners LP until 19 May 2017. Veolia Environnement S.A. held a 10% shareholding in Affinity Water Acquisitions (Holdco) Limited, the direct subsidiary of Affinity Water Acquisitions (Investments) Limited, through its subsidiary Veolia Water UK Limited until the same date. The directors considered Infracapital Partners II and North Haven Infrastructure Partners LP to be the company's ultimate controllers prior to the sale, as they were in a position to exercise material influence over the company's policy and affairs.

Following completion of the sale of Affinity Water Acquisitions (Investments) Limited on 19 May 2017 to Daiwater Investment Limited, the directors consider Allianz Capital Partners on behalf of the Allianz Group, HICL Infrastructure Company Limited (advised by InfraRed Capital Partners Limited) and DIF to be the company's ultimate controllers.

Allianz Capital Partners is the Allianz Group's in-house investment manager for alternative equity investments. The investment focus is on infrastructure and renewables as well as private equity funds. Allianz Capital Partners' investment strategy is targeted to generate attractive, long-term and stable returns while diversifying the overall investment portfolio for the Allianz Group insurance companies.

HICL Infrastructure Company Limited is a long-term investor in infrastructure assets which are predominantly operational and yielding steady returns. HICL has a portfolio of infrastructure investments which are positioned at the lower end of the risk spectrum, in three target market segments: public-private partnerships, regulated assets and demand-based assets. The Investment Adviser to HICL is InfraRed Capital Partners Limited, a leading international investment manager focused on infrastructure and real estate.

DIF is an independent and specialist fund management company, which invests in infrastructure assets that generate long-term stable cash flows, including public-private partnerships, regulated infrastructure assets and renewable energy projects in Europe, North America and Australia.

Affinity Water Holdings Limited

Notes to the financial statements for the year ended 31 March 2017 (continued)

12. Events after the end of the reporting period

On 12 April 2017 the Board approved a dividend of £6,500,000 to Affinity Water Capital Funds Limited.

On 19 May 2017, Infracapital Partners II and North Haven Infrastructure Partners LP sold 100% of their shareholdings in Affinity Water Acquisitions (Investments) Limited, the company's ultimate holding and controlling company to a consortium comprising Allianz Capital Partners on behalf of the Allianz Group, HICL Infrastructure Company Limited (advised by InfraRed Capital Partners Limited) and DIF. As part of the transaction, the buyers also acquired Veolia Water UK Limited's 10% stake in Affinity Water Acquisitions (Holdco) Limited.