

**Yorkshire Water Services Finance Limited**  
**Condensed Interim Financial Statements**  
Registered number 04636719  
For the six months ended 30 September 2017

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## **Information to accompany the condensed interim financial statements**

The results for Yorkshire Water Services Finance Limited (the 'Company') for the six month period ended 30 September 2017 are presented in this report.

### **Principal activities and business review**

The principal activity of the company during the period continued to be that of raising finance for use in business of Yorkshire Water Services Limited ('Yorkshire Water').

### **Financial performance and outlook**

During the six months ended 30 September 2017 the Company continued to focus on delivering excellent internal services and performed in line with management expectations.

It is anticipated that the Company will continue to follow the same model for the foreseeable future, a view which is supported by the value of its investments, with the balance sheet strength being underpinned by the performance of its investments.

### **Principal risks and uncertainties**

The risks to which the Company is exposed include interest rate, credit, liquidity and market risk in relation to financial instruments. The principal risks and uncertainties of the group are disclosed in the financial statements of Yorkshire Water's Annual Report and Financial Statements for the year ended 31 March 2017.

**Condensed Profit and Loss Account**  
*for the 6 month period ended 30 September 2017*

	<b>Unaudited 6 month period ended 30 September 2017</b>	Unaudited 6 month period ended 30 September 2016
	<b>£'000</b>	£'000
Interest receivable and similar income	<b>50,453</b>	42,207
Interest payable and similar charges	<b>(50,453)</b>	(42,207)
<b>Operating profit on ordinary activities before taxation</b>	<b>-</b>	-
Tax on profit on ordinary activities	2	-
<b>Result for the six month period</b>	<b>-</b>	-

**Condensed Balance Sheet**  
*as at 30 September 2017*

	<b>Unaudited at 30</b>	Audited at 31
	<b>September 2017</b>	March 2017
	<b>£'000</b>	£'000
<b>Current assets</b>		
Debtors (including £1,607,248,000 (31 March 2017: £1,587,472,000) due after more than one year)	3 <b>1,630,548</b>	1,613,312
Cash at bank and in hand	<b>1,416</b>	1,415
	<b>1,631,964</b>	1,614,727
<b>Creditors:</b> amounts falling due within one year	5 <b>(24,705)</b>	(27,244)
<b>Net current assets</b>	<b>1,607,259</b>	1,587,483
<b>Total assets less current liabilities</b>	<b>1,607,259</b>	1,587,483
<b>Creditors:</b> amounts falling due after more than one year	6 <b>(1,607,211)</b>	(1,587,435)
<b>Net assets</b>	<b>48</b>	48
<b>Capital and reserves</b>		
Called up share capital	<b>50</b>	50
Profit and loss account	<b>(2)</b>	(2)
<b>Total Shareholders' funds</b>	<b>48</b>	48

**Condensed Statement of Changes in Equity**  
 for the 6 month period ended 30 September 2017

	Called up share capital £'000	Profit and loss account £'000	Total Shareholders' funds £'000
Balance at 1 April 2017	50	(2)	48
<b>Total comprehensive income for the six month period</b>			
Result for the six month period	-	-	-
Total comprehensive income for the six month period	-	-	-
<b>Balance at 30 September 2017</b>	<b>50</b>	<b>(2)</b>	<b>48</b>

	Called up Share capital £'000	Profit and loss account £'000	Total Shareholders' funds £'000
Balance at 1 April 2016	50	(2)	48
<b>Total comprehensive income for the six month period</b>			
Result for the six month period	-	-	-
Total comprehensive income for the six month period	-	-	-
<b>Balance at 30 September 2016</b>	<b>50</b>	<b>(2)</b>	<b>48</b>

**Notes to the condensed interim financial statements**  
 for the 6 month period ended 30 September 2017

**1 Basis of preparation and accounting**

The financial information for the six month period ended 30 September 2017 has been prepared in accordance with FRS 104 'Interim Financial Reporting' and the Companies Act 2006. The financial information for the six month period 30 September 2017 and the equivalent period in 2016 has not been audited and does not constitute statutory accounts.

The accounting policies, methods of computation and presentation in these accounts are consistent with those that were applied in the annual financial statements of Yorkshire Water Services Finance Limited for the year ended 31 March 2017. The auditor's report on those accounts was unqualified. The Company's financial statements are prepared under the historical cost convention in compliance with Financial Reporting Standard 101 Reduced Disclosure Framework.

No new standards, amendments or interpretations which will have a material impact on the financial statements have been adopted in the period. The principal risks and uncertainties as disclosed in the year end accounts are considered to be consistent with those that are still applicable now.

**2 Taxation**

There is no tax charge in the year (2016: £nil). The company's interest receivable and interest payable are equal, such that the company has neither taxable profits or a tax loss for the period.

**3 Debtors**

	<b>Unaudited at 30 September 2017</b>	Audited at 31 March 2017
	<b>£'000</b>	£'000
<b>Debtors falling due within one year:</b>		
Amounts owed by group companies	<b>23,300</b>	25,840
<b>Debtors falling due in more than one year:</b>		
Amounts owed by group undertakings	<b>1,607,248</b>	1,587,472
<b>Debtors</b>	<b>1,630,548</b>	1,613,312

The amounts owed by group undertakings are unsecured, bear interest at a nominal rate and have contractual repayment dates.

**Notes to the condensed interim financial statements** *(continued)*  
for the 6 month period ended 30 September 2017

**4 Analysis of net debt**

	<b>Unaudited at 30 September 2017 £'000</b>	Audited at 31 March 2017 £'000
<b>Cash and cash equivalents:</b>	<b>1,416</b>	1,415
	<hr/> <b>1,416</b> <hr/>	<hr/> 1,415 <hr/>
<b>Long term borrowings:</b>		
Guaranteed bonds	<b>(880,623)</b>	(862,039)
Amounts owed to group undertakings	<b>(726,588)</b>	(725,396)
	<hr/> <b>(1,607,211)</b> <hr/>	<hr/> (1,587,435) <hr/>
<b>Total net debt</b>	<hr/> <b>(1,605,795)</b> <hr/>	<hr/> (1,586,020) <hr/>

**5 Creditors: amounts falling due within one year**

	<b>Unaudited at 30 September 2017 £'000</b>	Audited at 31 March 2017 £'000
Amounts owed to group undertakings	<b>18,479</b>	21,223
Other creditors	<b>6,226</b>	6,021
	<hr/> <b>24,705</b> <hr/>	<hr/> 27,244 <hr/>

Amounts owed to group undertakings are unsecured, bear interest at a nominal rate and repayable on demand.

**6 Creditors: amounts falling due more than one year**

	<b>Unaudited at 30 September 2017 £'000</b>	Audited at 31 March 2017 £'000
Guaranteed bonds	<b>880,623</b>	862,039
Amounts owed to group undertakings	<b>726,588</b>	725,396
	<hr/> <b>1,607,211</b> <hr/>	<hr/> 1,587,435 <hr/>

Amounts owed to group undertakings are unsecured, bear interest at a nominal rate and have contractual repayment dates.