

**Yorkshire Water Services Finance Ltd**  
**Condensed Interim Financial Statements**  
Registered number 04636719  
For the six months ended 30 September 2018

## **Contents**

Information to accompany the condensed interim financial statements	2
Condensed Statement of Profit and Loss Account	3
Condensed Statement of Financial Position	4
Condensed Statement of Changes in Equity	5
Notes to the condensed interim financial statements	6

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

The results for Yorkshire Water Services Finance Ltd (the 'Company') for the 6 month period ended 30 September 2018 are presented in this report.

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

The principal activity of the company during the period continues 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 2018 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 2018.

**Condensed Statement of Profit and Loss Account**  
 for the 6 month period ended 30 September 2018

	<b>Unaudited 6 month period ended 30 September 2018 £'000</b>	Unaudited 6 month period ended 30 September 2017 £'000
Operating costs	(2)	-
<b>Operating loss</b>	<b>(2)</b>	-
Interest receivable and similar income	42,837	50,453
Interest payable and similar charges	(42,649)	(50,453)
<b>Operating profit on ordinary activities before taxation</b>	<b>186</b>	-
Tax on profit on ordinary activities	2	-
<b>Profit for the six month period</b>	<b>221</b>	-

## Condensed Statement of Financial Position

as at 30 September 2018

	<b>Unaudited at 30 September 2018 £'000</b>	Audited at 31 March 2018 £'000
<b>Current assets</b>		
Debtors (including £902,998,000 (31 March 2018: £1,619,396,000) due after more than one year)	3 <b>909,314</b>	1,645,299
Cash at bank and in hand	6 <b>1,603</b>	1,417
	<b>910,917</b>	1,646,716
<b>Creditors:</b> amounts falling due within one year (including £nil (31 March 2018: £nil) held for sale)	4 <b>(7,687)</b>	(27,308)
<b>Net current assets</b>	<b>903,230</b>	1,619,408
<b>Total assets less current liabilities</b>	<b>903,230</b>	1,619,408
<b>Creditors:</b> amounts falling due after more than one year	5 <b>(902,961)</b>	(1,619,360)
<b>Net assets</b>	<b>269</b>	48
<b>Capital and reserves</b>		
Called up share capital	<b>50</b>	50
Profit and loss account	<b>219</b>	(2)
<b>Total shareholders' funds</b>	<b>269</b>	48

**Condensed Statement of Changes in Equity**  
 for the 6 month period ended 30 September 2018

	<b>Called up Share capital £'000</b>	<b>Profit and loss account £'000</b>	<b>Total Shareholders' funds £'000</b>
Balance at 1 April 2018	50	(2)	48
Total comprehensive income for the six months			
Profit for the six month period	-	221	221
Total comprehensive income for the six months	-	221	221
<b>Balance at 30 September 2018</b>	<b>50</b>	<b>219</b>	<b>269</b>

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

**Notes to the condensed interim financial statements**  
 for the 6 month period ended 30 September 2018

**1 Basis of preparation and accounting**

The financial information for the six month period ended 30 September 2018 has been prepared in accordance with FRS 104 'Interim Financial Reporting' and the Companies Act 2006. This report should be read in conjunction with the company's annual financial statements for the year ended 30 September 2018, which have been prepared in accordance with FRS 101.

The accounting policies, methods of computation and presentation in these accounts are consistent with those that were applied in the annual financial statements of Kelda Finance (No.2) Limited for the year ended 31 March 2018. 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.

IFRS 9- financial instruments has been adopted for the first time, which replaces IAS 39: Recognition and measurement. There is no material impact on the financial statements. 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**

	<b>Unaudited 6 month period ended 30 September 2018 £'000</b>	Unaudited 6 month period ended 30 September 2017 £'000
<i>Current tax</i>		
Total current tax credit	35	-
<b>Tax on profit on ordinary activities</b>	<b>35</b>	<b>-</b>

**3 Debtors**

	<b>Unaudited at 30 September 2018 £'000</b>	Audited at 31 March 2018 £'000
<b>Debtors falling due within on year:</b>		
Amounts owed by group undertakings	6,316	25,903
<b>Debtors falling due in more than one year:</b>		
Amounts owed by group undertakings	902,998	1,619,396
<b>Debtors</b>	<b>909,314</b>	<b>1,645,299</b>

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

for the 6 month period ended 30 September 2018

### 4 Creditors: amounts falling due within one year

	<b>Unaudited at 30 September 2018 £'000</b>	Audited at 31 March 2018 £'000
Amounts owed to group undertakings	1,407	21,227
Other creditors	6,280	6,082
	<u>7,687</u>	<u>27,309</u>

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

### 5 Creditors: amounts falling due after one year

	<b>Unaudited at 30 September 2018 £'000</b>	Audited at 31 March 2018 £'000
Guaranteed bonds	902,961	888,573
Amounts owed to group undertakings	-	730,787
	<u>902,961</u>	<u>1,619,360</u>

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

### 6 Analysis of net debt

	<b>Unaudited at 30 September 2018 £'000</b>	Audited at 31 March 2018 £'000
<b>Cash and cash equivalents:</b>	<b>1,603</b>	<b>1,417</b>
	<u>1,603</u>	<u>1,417</u>
<b>Long term borrowings:</b>		
Bank loans	(902,961)	(888,573)
Amounts owed to group undertakings	-	(730,787)
	<u>(902,961)</u>	<u>(1,619,360)</u>
<b>Total net debt</b>	<b><u>(901,358)</u></b>	<b><u>(1,617,943)</u></b>