

Yorkshire Water Services Odsal Finance Holdings Limited

Annual report and financial statements

Registered number MC-219850

Year ended 31 March 2017

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Directors and advisers

Directors

R Flint
E M Barber
C Forrest

Company secretary

C Forrest

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Central Square
29 Wellington Street
Leeds
LS1 4DL

Registered office

Maples & Calder Corporate Services Limited
PO Box 309
Ugland House
Grand Cayman
Cayman Islands
KY1-1104

Bankers

National Westminster Bank
Leeds City Office
8 Park Row
Leeds
LS1 5HD

Directors' report

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

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Principal activities and business review

The principal activity of the company during the year was that of a holding company within the Yorkshire Water securitised group of companies. The entity was dormant in the year.

Principal risks and uncertainties

Due to the nature of the business, the directors consider that there are no material risks or uncertainties which require disclosure.

Key performance indicators

Due to the nature of the business, the directors consider that key performance indicators are not applicable.

Results and dividends

The company did not trade during the year or the preceding year and made neither a profit nor a loss. There were also no other gains and losses for the current financial year or the preceding financial year. Accordingly neither a profit and loss account nor a statement of comprehensive income has been presented.

Future developments

It is anticipated that the company will continue to follow the same model for the foreseeable future.

Directors

The directors listed below have served the company throughout the year and up to the date of approval of the financial statements, unless otherwise stated:

R Flint
E M Barber
C Forrest

Statement of disclosure of information to independent auditors

As at the date of this report, as far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware and the directors have taken all the steps that they ought to have as directors, in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of this information.

Directors' indemnities

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

Directors' report *(continued)*

Independent auditors

Deloitte LLP will be appointed the auditors of the ultimate Parent undertaking, Kelda Holdings Limited, and, pursuant to section 487 of the Companies Act 2006, will be appointed auditors of the Company with respect to the year ending 31 March 2018.

Statement of directors' responsibilities

The directors are responsible for preparing the company financial statements in accordance with United Kingdom Accounting Standards for the Common Terms Agreement dated 24 July 2009 between the directors and Deutsche Bank AG for the provision of audited financial statements. The directors must not approve the financial statements unless they are satisfied that the financial statements 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 the financial statements, the directors are responsible for:

- selecting suitable accounting policies and then applying them consistently;
- stating whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- making judgements and accounting estimates that are reasonable and prudent; and
- preparing 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.

The directors 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.

On behalf of the board



C Forrest
Director
13 July 2017

Independent auditors' report to the directors of Yorkshire Water Services Odsal Finance Holdings Limited

Report on the financial statements

Opinion on financial statements

In our opinion, Yorkshire Water Services Odsal Finance 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
- have been properly prepared in accordance with United Kingdom Accounting Standards.

What we have audited

The financial statements, included within the Annual report and financial statements (the "Annual Report"), comprise:

- the balance sheet as at 31 March 2017;
- 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.

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.

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: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Report of the Directors; and 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 directors' responsibilities set out on page 3, 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 opinion, has been prepared for and only for the company's directors as a body for the Common Terms Agreement dated 24 July 2009 between the directors and Deutsche Bank AG for the provision of audited financial statements in accordance with our engagement letter dated 17 November 2016 and for no other purpose. We do not, in giving this opinion, 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, including without limitation under any contractual obligations of the company, save where expressly agreed by our prior consent in writing.

Independent auditors' report to the directors of Yorkshire Water Services Odsal Finance Holdings Limited *(continued)*

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.

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.



Arif Ahmad (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Central Square
29 Wellington Street
Leeds
LS1 4DL

13 July 2017

Balance sheet
 as at 31 March 2017

	<i>Note</i>	2017 £'000	2016 £'000
Fixed assets			
Investments	5	-	-
Total assets less current liabilities		-	-
Creditors: amounts falling due after more than one year	6	-	-
Net assets		-	-
Capital and reserves			
Called up share capital	7	42,132	42,132
Profit and loss account		(42,132)	(42,132)
Total shareholder's funds		-	-

These financial statements on pages 6 to 10 were approved by the board of directors on 13 July 2017 and were signed on its behalf by:



C Forrest
 Director

Company registered number: MC-219850

Statement of changes in equity
 for the year ended 31 March 2017

	Called up share capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
Balance at 1 April 2016	42,132	(42,132)	-
Balance at 31 March 2017	42,132	(42,132)	-

	Called up Share capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
Balance at 1 April 2015	42,132	(42,132)	-
Balance at 31 March 2016	42,132	(42,132)	-

Notes to the financial statements

1 Accounting policies

Yorkshire Water Services Odsal Finance Holdings Limited (the "Company") is a private company incorporated in the Cayman Islands and resident for tax in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2013/14 Cycle) issued in July 2014 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Kelda Eurobond Co Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Kelda Eurobond Co Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Western House, Halifax Road, Bradford, BD6 2SZ.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital and tangible fixed assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Kelda Eurobond Co Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures.

- The disclosures required by IFRS 7 and IFRS 13 regarding financial instrument disclosures have not been provided apart from those which are relevant for the financial instruments which are held at fair value and are not either held as part of trading portfolio or derivatives.

The entity was dormant in the year.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. No new accounting standards that are effective for the year ended 31 March 2017, have had a material impact on the company.

Measurement convention

The financial statements are prepared on a going concern basis under the historical cost convention.

Notes to the financial statements (continued)

2 Expenses and auditor's remuneration

Auditors' remuneration has been borne by Yorkshire Water Services Limited.

3 Directors' remuneration

The directors did not receive any emoluments in respect of their services to Yorkshire Water Services Odsal Finance Holdings Limited in the year ending 31 March 2017 (2016: £nil).

4 Staff numbers and costs

The company did not have any employees during the year ended 31 March 2017 (2016: nil).

5 Investments

	Subsidiary undertakings £'000	Total £'000
Cost and net book value at 1 April 2016 and 31 March 2017	-	-
	-	-

The Company has the following investments in subsidiaries, associates and jointly controlled entities whose registered office address is Maples & Calder Corporate Services Limited, PO Box 309, Uglund House, Grand Cayman, Cayman Islands, KY1-1104.

	Country of Incorporation	Nature of business	Class of shares held	Ownership	
				2017	2016
Yorkshire Water Services Odsal Finance Limited	Cayman Islands	Raising finance for use in Yorkshire Water Services Limited	Ordinary	100%	100%

6 Creditors: amounts falling due after more than one year

	2017 £'000	2016 £'000
Amounts owed to group undertakings £1 in 2017 (2016: £1)	-	-
	-	-

7 Called up share capital

	2017 £'000	2016 £'000
<i>Allotted, called up and fully paid</i>		
42,132,113 (2016: 42,132,113) at £1 each (2016 at £1 each)	42,132	42,132
	42,132	42,132

Notes to the financial statements *(continued)*

7 Called up share capital *(continued)*

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

8 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Kelda Holdings Limited which is the ultimate parent company incorporated in Jersey. The ultimate controlling party is Kelda Holdings Limited.

The largest UK group in which the results of the Company are consolidated is that headed by Kelda Eurobond Co Limited, incorporated in England and Wales. The smallest group in which they are consolidated is that headed by Kelda Finance (No.1) Limited, incorporated in England and Wales. The consolidated financial statements of these groups are available to the public and may be obtained from the Company Secretary, Kelda Eurobond Co Limited, Western House, Halifax Road, Bradford, BD6 2SZ.