

# **Yorkshire Water Services Bradford Finance Limited**

**Annual report and financial statements  
for the year ended 31 March 2013**

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Registered No: MC-219838

## **Directors and advisers**

### **Directors**

K I Whiteman  
R Flint  
S D McFarlane  
E M Barber

### **Company secretary**

S D McFarlane

### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants  
Benson House  
33 Wellington Street  
Leeds  
LS1 4JP

### **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  
LS1 1QS

## Directors' report

The directors present their annual report and audited financial statements for the year ended 31 March 2013.

### Results and dividends

The income statement for the year is set out on page 7. The directors do not recommend the payment of any dividends (2012: £nil).

### Principal activity, review of the business and future developments

The principal activity of the company during the year was that of raising finance for use in the business of Yorkshire Water Services Limited ('Yorkshire Water'). This is expected to continue for the foreseeable future. On 24 July 2009 the whole business securitisation (WBS) of Yorkshire Water and its subsidiaries was completed, providing a permanent and stable platform for the long term financing of Yorkshire Water Services Limited. The WBS created the YW financing group, which includes Yorkshire Water Services Bradford Finance Limited.

### Principal risks and uncertainties

The directors do not consider there to be any material risks or uncertainties which require disclosure. The principal risks and uncertainties of Yorkshire Water are disclosed in that company's financial statements.

### Financial risks

The financial risks facing the company are set out on pages 15 and 16 in note 10 to the financial statements.

### Key performance indicators

Due to the nature of the business, disclosure of the company's key performance indicators is not considered to be necessary.

### Directors

The directors listed below have served the company throughout the year and up to the date of signing of the financial statements:

R Flint  
K I Whiteman  
S D McFarlane  
E M Barber

The company has directors' and officers' liability insurance in place. By virtue of the articles of association, the company had also provided indemnity for its directors and the secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

### Directors' statement as to disclosure of information to auditors

As at the date of this report, as far as each director is aware, there is no relevant audit information of which the company's auditors are unaware and each director has taken such steps as he or she should 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 auditors are aware of that information.

### Independent auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office.

## Directors' report (continued)

On behalf of the board



S D McFarlane  
Director  
11 July 2013

## Statement of directors' responsibilities

The directors are responsible for preparing the non-statutory financial statements in accordance with the basis of preparation and accounting policies in note 3. The directors must not approve the non-statutory financial statements unless they are satisfied that they have been properly prepared, in all material respects, in accordance with the basis of preparation and accounting policies in note 3 to the non-statutory financial statements. In preparing these non-statutory financial statements, the directors have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and accounting estimates that are reasonable and prudent;
- stated the basis of preparation and accounting policies applied; and
- prepared the non-statutory 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. 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.

By order of the board



S D McFarlane  
Company Secretary  
11 July 2013



## **Independent auditors' report**

### **to the directors of Yorkshire Water Services Bradford Finance Limited**

We have audited the financial statements of Yorkshire Water Services Bradford Finance Limited for the year ended 31 March 2013 which comprise the income statement, the balance sheet, the statement of changes in equity, the statement of cash flows and the related notes. The financial reporting framework that has been applied in the preparation of these financial statements is International Financial Reporting Standards (IFRSs) as adopted by the European Union.

#### **Respective responsibilities of the directors and auditors**

As explained more fully in the statement of directors' responsibilities (set out on page 5) 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and 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 directors for management purposes in accordance with our engagement letter dated 7 November 2012 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.

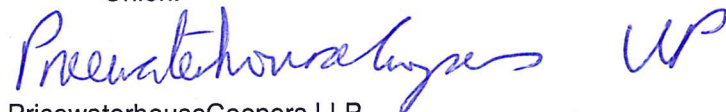
#### **Scope of the audit of the financial statements**

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. In addition, we read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its result and cash flows for the year then ended; and
- have been properly prepared in accordance with IFRSs as adopted by the European Union.



PricewaterhouseCoopers LLP  
Chartered Accountants  
Leeds  
11 July 2013

The maintenance and integrity of the Kelda website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Income statement

for the year ended 31 March 2013

		Year ended 31 March 2013	Year ended 31 March 2012
	Note	£	£
Finance income	5	101,719,223	82,916,543
Finance costs	5	(101,719,223)	(82,916,543)
Exceptional finance cost	5	-	-
<b>Profit before income tax</b>		-	-
Income tax expense	6	-	-
<b>Result for the year</b>		-	-

All activities relate to continuing operations.

The result for the current and prior years is equivalent of the comprehensive income.

The notes on pages 10 to 18 are an integral part of these financial statements.

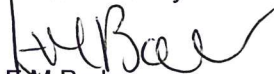


## Balance sheet

as at 31 March 2013

		31 March 2013	31 March 2012
		£	£
	Note		
<b>Assets</b>			
<b>Non-current assets</b>			
Trade and other receivables	7	1,994,706,813	1,665,731,616
<b>Current assets</b>			
Trade and other receivables	7	51,476,037	50,120,547
Cash and cash equivalents		3,276	550
<b>Total assets</b>		<b>2,046,186,126</b>	<b>1,715,852,713</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	8	(51,479,312)	(50,121,096)
<b>Non-current liabilities</b>			
Borrowings	9	(1,994,706,813)	(1,665,731,616)
<b>Total liabilities</b>		<b>(2,046,186,125)</b>	<b>(1,715,852,712)</b>
<b>Net assets</b>		<b>1</b>	<b>1</b>
<b>Equity</b>			
Share capital	11	1	1
Retained earnings		-	-
<b>Total equity</b>		<b>1</b>	<b>1</b>

The financial statements on pages 7 to 18 were approved by the board of directors and signed on its behalf by:

  
 E M Barber  
 Director  
 11 July 2013

Registered no. MC-219838

## Statement of changes in equity

for the year ended 31 March 2013

	Share capital £	Retained earnings £	Total equity £
At 31 March 2012 and at 31 March 2013	1	-	1

## Statement of cash flows

for the year ended 31 March 2013

	Year ended 31 March 2013 £	Year ended 31 March 2012 £
<b>Cash flows from operating activities</b>	-	-
Interest paid	(87,826,409)	(70,588,155)
<b>Cash flows from investing activities</b>	<b>(87,826,409)</b>	<b>(70,588,155)</b>
Interest received	87,829,135	70,588,156
Loans granted to parent company	(296,301,358)	(335,947,599)
<b>Cash flows from financing activities</b>	<b>(208,472,223)</b>	<b>(265,359,443)</b>
Proceeds from issuance of bonds	296,301,358	335,947,599
<b>Net cash generated from financing activities</b>	<b>296,301,358</b>	<b>335,947,599</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,726</b>	<b>1</b>
Cash and cash equivalents at beginning of year	550	549
<b>Cash and cash equivalents at end of year</b>	<b>3,276</b>	<b>550</b>

## Notes to the financial statements

for the year ended 31 March 2013

### 1. Authorisation of financial statements

The company's financial statements for the year ended 31 March 2013 were authorised for issue by the board of directors on 11 July 2013 and the balance sheet was signed on the board's behalf by E M Barber, Director. Yorkshire Water Services Bradford Finance Limited is a limited company incorporated in the Cayman Islands and resident for tax in the UK.

### 2. General Information

Yorkshire Water Services Bradford Finance Limited raises finance for use in the business of Yorkshire Water. The company is a private company, incorporated in the Cayman Islands and resident for tax in the UK. The address of the registered office is Maples & Calder Corporate Services Limited, PO BOX 309, Ugland House, Grand Cayman, Cayman Islands, KY1-1104.

### 3. Accounting policies

#### *Basis of preparation*

The company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and IFRIC interpretations as they apply to the financial statements of the company for the year ended 31 March 2013, and as if the UK Companies Act 2006 was applicable.

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

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

#### *Financial instruments*

##### *Trade and other receivables*

Trade and other receivables carry interest equivalent to the interest-bearing loans and borrowings on lent to other group undertakings and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts and adjusted for fair value movements in the loans and borrowings. There is no intention to trade the receivables.

##### *Trade and other payables*

Trade and other payables do not carry any interest and are stated at their nominal value.

##### *Interest-bearing loans and borrowings*

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses arising on re-purchase, settlement or otherwise cancellation of liabilities are recognised respectively in investment income and finance costs.

Index-linked borrowings are adjusted for movements in the Retail Prices Index (RPI) with reference to a base RPI established at trade date. The subsequent gain or loss on this adjustment is recognised in the income statement.

##### *Principal areas of judgement*

The preparation of financial statements with IFRSs 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. There were no such areas of judgement or uncertainty deemed significant in these financial statements.



## Notes to the financial statements

for the year ended 31 March 2013 (continued)

### 3. Accounting policies (continued)

#### *New standards and interpretations*

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 April 2012 and do not have a material impact on the company:

- Amendment to IFRS 7 'Financial instruments: Disclosures' on transfers of assets (effective 1 July 2012)

The following standards, interpretations and amendments to existing standards are not yet effective and have not been early adopted by the company:

- Amendment to IFRS 7 'Financial instruments: disclosures', on offsetting financial assets and liabilities
- Amendment to IFRS 1 'First time adoption on fixed dates and hyperinflation'
- Amendment to IAS 12 'Income taxes – deferred tax'
- Amendment to IAS 1 'Financial statement presentation – other comprehensive income'
- Amendment to IAS 32 'Financial instruments: presentation', on offsetting financial assets and liabilities
- Amendment to IFRS 1 'First time adoption', on government loans'
- IFRS 9 'Financial instruments', on classification and measurement'
- IFRS 10 'Consolidated financial statements'
- IFRS 11 'Joint arrangements'
- IFRS 12 'Disclosures of interests in other entities'
- Amendments to IFRS 10, 11 and 12 on transition guidance
- IAS 27 (revised) 'Separate financial statements'
- IAS 28 (revised) 'Associates and joint ventures'
- IFRIC 20 'Stripping costs in the production phase of a surface mine'
- Amendment to IAS 19 'Employee benefits'
- IFRS 13 'Fair value measurement' annual improvements 2011

The directors are still considering the implications of applying these standards and interpretations to the Company's financial statements.

### 4. Operating costs

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

The directors did not receive any emoluments in respect of their services to Yorkshire Water Services Finance Limited (2012: £nil). Key management costs are included in the Kelda Eurobond Co Limited financial statements.

The average number of persons employed by the company during the year was nil, except directors (2012: nil).

## Notes to the financial statements

for the year ended 31 March 2013 (continued)

### 5. Finance costs and finance income

	Year ended 31 March 2013 £	Year ended 31 March 2012 £
<b>Finance costs:</b>		
Interest payable on fixed rate dollar bonds	11,339,531	755,262
Interest payable on fixed rate sterling bonds	67,771,793	62,053,768
Interest payable on index linked sterling bonds	10,070,576	7,588,510
Other interest payable	2,725	278
RPI uplift index linked bonds	12,535,703	11,250,105
Amortisation of issue costs in respect of bonds	(1,105)	1,268,620
	<b>101,719,223</b>	<b>82,916,543</b>
<b>Finance income:</b>		
From group undertakings	(101,719,223)	(82,916,543)
	<b>-</b>	<b>-</b>
<b>Exceptional finance costs:</b>		
<b>Fair value</b>		
Movement in fair value of fixed rate dollar bonds	25,239,241	-
Movement in fair value of fixed rate sterling bonds	(5,100,000)	-
Movement in fair value of intercompany loans	(20,139,241)	-
	<b>-</b>	<b>-</b>

The finance income relates to interest on monies lent to Yorkshire Water Services Limited and Yorkshire Water Services Finance Limited.

Finance costs include the amortisation of issue costs.

Exceptional finance income and costs relate to the fair value movement of certain fixed rate dollar and sterling bonds which were nominated as fair value through profit and loss on inception. As the monies raised through these bonds were lent on to Yorkshire Water Services Limited, which has a combined cross currency interest rate swap to hedge the fair value of the fixed dollar bonds, the related intercompany loan was also nominated as fair value through profit and loss giving rise to a net exceptional finance cost.

### 6. Income tax expense

There is no tax charge for the year (2012: £nil)

### 7. Trade and other receivables

Amounts owed by group undertakings	2013 £	2012 £
Current	51,476,037	50,120,547
Non-current	1,994,706,813	1,665,731,616
	<b>2,046,182,850</b>	<b>1,715,852,163</b>

The repayment terms of amounts due after more than one year are consistent with those disclosed for long term borrowings in note 10. Since the amounts are secured against the assets of the YW financing group, the directors consider the credit risk to be minimal.



# Notes to the financial statements

for the year ended 31 March 2013 (continued)

## 7. Trade and other receivables (continued)

All receivables are reviewed regularly to assess any associated credit risk. All long-term receivables are due from Yorkshire Water Services Finance Limited. Any impairment considered necessary has been made to the amounts included above.

All current receivables are not past due and have not been impaired. All non-current receivables fall due in more than five years.

Non-current amounts owed by the parent company includes £284,569,761 (2012: £284,447,112) relating to a US dollar loan equal to the proceeds of a US dollar bond issuance completed in November 2011. Any foreign exchange exposure is therefore eliminated against an equal and opposite exposure within borrowings.

## 8. Trade and other payables

	2013 £	2012 £
<b>Amounts falling due within one year:</b>		
Interest payable on fixed rate dollar bonds	1,144,879	755,262
Interest payable on fixed rate sterling bonds	46,838,115	47,009,221
Interest payable on index linked sterling bonds	3,493,042	2,356,063
Other	3,276	550
	<b>51,479,312</b>	<b>50,121,096</b>

## 9. Borrowings

	2013 Book value £	2012 Book value £
<b>Maturity profile</b>		
Wholly repayable in more than one but less than five years:		
6.00% £450m bond 2017	447,332,470	446,694,640
Wholly repayable after five years:		
3.18% \$30m bond 2018	20,412,447	18,754,469
3.18% \$15m bond 2019	10,208,283	9,376,822
3.77% \$115m bond 2021	78,419,667	71,886,858
3.77% \$40m bond 2022	27,272,154	25,003,411
5.07% \$75m bond 2022	51,060,228	46,907,595
3.87% \$150m bond 2023	102,035,466	93,765,407
3.87% \$30m bond 2024	20,400,757	18,752,549
2.16% £50m index linked bond 2041	51,389,859	49,754,043
6.00% £275m bond 2019	273,319,262	273,001,986
6.375% £300m bond 2039	305,748,660	306,243,061
2.718% £260m index linked bond 2039	314,477,245	305,590,775
3.625% £250m bond 2029	241,636,194	-
1.803% £50m index linked bond 2042	50,994,121	-
	<b>1,994,706,813</b>	<b>1,665,731,616</b>

## Notes to the financial statements

for the year ended 31 March 2013 (continued)

### 9. Borrowings (continued)

	2013 Fair value £	2012 Fair value £
<b>Maturity profile</b>		
Wholly repayable in more than one but less than five years:		
6.000% £450m bond 2017	509,711,000	490,621,500
Wholly repayable after five years:		
3.18% \$30m bond 2018	20,412,447	18,783,373
3.18% \$15m bond 2019	10,208,283	9,382,989
3.77% \$115m bond 2021	78,419,667	71,649,159
3.77% \$40m bond 2022	27,272,154	24,921,401
5.07% \$75m bond 2022	51,060,228	46,796,547
3.87% \$150m bond 2023	102,035,466	93,471,943
3.87% \$30m bond 2024	20,400,757	24,921,401
2.16% £50m index linked bond 2041	51,389,859	49,754,043
6.000% £275m bond 2019	334,172,000	324,479,100
6.375% £300m bond 2039	394,344,000	364,809,000
2.718% £260m index linked bond 2039	352,087,000	310,008,400
3.625% £250m bond 2029	244,868,000	-
1.803% £50m index linked bond 2042	50,994,121	-
	<b>2,247,374,982</b>	<b>1,829,598,856</b>

The fair values of the bonds have been determined by reference to market values for similar instruments.

The company is exposed to foreign exchange risk arising from the raising of US dollar bonds. However the proceeds of the USD bond issuance in December 2011 and January 2012 were immediately lent on to Yorkshire Water Services Limited with the same coupon and maturity dates. Any foreign exchange exposure is therefore eliminated against an equal and opposite exposure on trade and other receivables.

# Notes to the financial statements

for the year ended 31 March 2013 (continued)

## 10. Financial instruments

The interest rate risk profile of the company's financial liabilities at 31 March 2013 is below. This includes interest payable in the year as well as the principal repayments. It is assumed that LIBOR and indexation remain constant at the year end position.

### Year ended 31 March 2013

	Within 1 year £m	1-2 years £m	2-3 years £m	3-4 years £m	4-5 years £m	More than 5 years £m	Total £m
<b>Fixed rate</b>							
Fixed rate sterling bonds - held at fair value	71.7	71.7	71.7	71.7	496.5	1,359.8	2,143.1
Fixed rate dollar bonds - held at amortised cost	11.4	11.4	11.4	11.4	11.4	336.1	393.1
	<b>83.1</b>	<b>83.1</b>	<b>83.1</b>	<b>83.1</b>	<b>507.9</b>	<b>1,695.9</b>	<b>2,536.2</b>
<b>Floating rate</b>							
Index linked sterling bonds - held at fair value	8.0	8.0	8.0	8.0	8.0	465.5	505.5
Index linked sterling bonds - held at amortised cost	0.9	0.9	0.9	0.9	0.9	71.8	76.3
Index linked dollar bonds - held at fair value	1.1	1.1	1.1	1.1	1.1	77.6	83.1
	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>614.9</b>	<b>664.9</b>

### Year ended 31 March 2012

	Within 1 year £m	1-2 years £m	2-3 years £m	3-4 years £m	4-5 years £m	More than 5 years £m	Total £m
<b>Fixed rate</b>							
Fixed rate sterling bonds - held at fair value	62.6	62.6	62.6	62.6	62.6	1,494.4	1,807.4
Fixed rate dollar bonds - held at amortised cost	11.3	11.3	11.3	11.3	11.3	345.5	402.0
	<b>73.9</b>	<b>73.9</b>	<b>73.9</b>	<b>73.9</b>	<b>73.9</b>	<b>1,839.9</b>	<b>2,209.4</b>
<b>Floating rate</b>							
Index linked sterling bonds - held at fair value	7.3	7.3	7.3	7.3	7.3	460.2	496.7
Index linked sterling bonds - held at amortised cost	1.1	1.1	1.1	1.1	1.1	76.7	82.2
	<b>8.4</b>	<b>8.4</b>	<b>8.4</b>	<b>8.4</b>	<b>8.4</b>	<b>536.9</b>	<b>578.9</b>



## Notes to the financial statements

for the year ended 31 March 2013 (continued)

### 10. Financial instruments (continued)

#### Financial risk management

The objectives when managing capital are to safeguard the Yorkshire Water Securitised Group's ability to continue as a going concern in order to provide benefits to stakeholders and returns to shareholders and to maintain an optimal capital structure. In order to do this, the company will consider the amount of debt and assets held and their liquidity.

When monitoring capital risk, the company considers its gearing and the ratio of net debt to Regulatory Capital Value (RCV).

Centrally managed funds are invested entirely with counterparties whose credit rating is A- or better.

Maximum exposure relating to financial assets is represented by carrying value as at the balance sheet date.

#### *3.18% guaranteed bonds 2018*

These bonds are repayable in one instalment on 13 December 2018. The interest is charged at 3.18%.

#### *3.18% guaranteed bonds 2019*

These bonds are repayable in one instalment on 5 January 2019. The interest is charged at 3.18%.

#### *3.77% guaranteed bonds 2021*

These bonds are repayable in one instalment on 13 December 2021. The interest is charged at 3.77%.

#### *3.77% guaranteed bonds 2022*

These bonds are repayable in one instalment on 5 January 2022. The interest is charged at 3.77%.

#### *5.07% guaranteed bonds 2022*

These bonds are repayable in one instalment on 5 January 2022. The interest is charged at 5.07%.

#### *3.87% guaranteed bonds 2023*

These bonds are repayable in one instalment on 13 December 2023. The interest is charged at 3.87%.

#### *3.87% guaranteed bonds 2024*

These bonds are repayable in one instalment on 5 January 2024. The interest is charged at 3.87%.

#### *2.16% index linked guaranteed bonds 2041*

These bonds are repayable in one instalment on 13 December 2019. The interest is charged at 2.16% multiplied by an index ratio and the principal amount is increased semi-annually in line with the retail price index.

#### *6.00% guaranteed bonds 2019*

These bonds are repayable in one sum on 21 August 2019. Interest is charged at 6.00%.

#### *6.375% guaranteed bonds 2039*

These bonds are repayable in one sum on 19 August 2039. The interest is charged at 6.375%.

#### *2.718% index linked guaranteed bonds 2039*

These bonds are repayable in one instalment on 30 December 2039. The interest is charged at 2.718% multiplied by an index ratio and the principal amount is increased semi-annually in line with the retail price index.

## Notes to the financial statements

for the year ended 31 March 2013 (continued)

### 10. Financial instruments (continued)

#### *3.625% guaranteed bonds 2029*

These bonds are repayable in one instalment on 1 August 2029. The interest is charged at 3.625%.

#### *1.803% index linked guaranteed bonds 2042*

These bonds are repayable in one instalment on 22 May 2042. The interest is charged at 1.803% multiplied by an index ratio and the principal amount is increased semi-annually in line with the retail price index.

#### *6.00% index linked guaranteed bond 2017*

The bond is repayable in one sum on 21 August 2017. The interest is charged at 6.00%.

### 11. Share capital

	2013	
	Authorised	
	£	
Ordinary shares of £1 each at 1 April 2012 and 31 March 2013		10,000
	<hr/>	
	No.	Allotted £
Ordinary shares of £1 each at 1 April 2012 and 31 March 2013	1	1

The shares were allotted at par value on 17 November 2008.

### 12. Post balance sheet events

During April 2013, Yorkshire Water Services Bradford Finance Limited raised \$50m (£33.8m) of Australian dollar floating rate bonds. The bonds are repayable in one lump sum on 15 August 2023, interest is being charged at 5.875%. The £33.8m was immediately loaned on to Yorkshire Water Services Limited.

During May 2013 Yorkshire Water Services Bradford Finance raised £90m of new sterling fixed rate class B bonds. The bonds are repayable in one lump sum on 12 December 2013 and interest is being charged at 4.965%. The £90m was immediately loaned on to Yorkshire Water Services.

### 13. Ultimate controlling party

The company's immediate parent company is Yorkshire Water Services Limited. The company's ultimate parent company and controlling party is Kelda Holdings Limited, a company registered in Jersey and tax resident in the UK.

Kelda Eurobond Co Limited, a company registered in England and Wales, is the smallest and largest UK group to consolidate these financial statements.

Copies of the group financial statements may be obtained from the Company Secretary, Kelda Eurobond Co Limited, Western House, Halifax Road, Bradford BD6 2SZ.



## Notes to the financial statements

for the year ended 31 March 2013 (continued)

### 14. Contingent liabilities

The banking arrangements of the company operate on a pooled basis with other group companies and the bank balances of each subsidiary can be offset against each other. No losses are expected to arise as a result of this arrangement.

### 15. Related parties

Loans to the immediate parent company carry interest at market rates incurred by the company when raising the funds externally (note 5).

No purchase or sales transactions were entered into between the company and any other group companies.

	2013 £	2012 £
<b>Loans to parent company:</b>		
Brought forward	1,715,852,163	1,369,128,977
Loans advanced during the year	296,301,358	334,394,799
Interest charged	121,858,464	82,916,543
Interest paid	(87,829,135)	(70,588,156)
	<u>2,046,182,850</u>	<u>1,715,852,163</u>

