

# **Yorkshire Water Services Holdings Limited**

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

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Registered No: 06815156

## **Directors and advisers**

### **Directors**

S D McFarlane

R Flint

K I Whiteman

E M Barber

### **Company secretary**

S D McFarlane

### **Independent auditors**

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Benson House

33 Wellington Street

Leeds

LS1 4JP

### **Registered office**

Western House

Halifax Road

Bradford

BD6 2SZ

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2013. This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

### Principal activity

The principal activity of the company continued to be that of a holding company within the Kelda Holdings Limited group.

### Results and dividends

The profit and loss account for the year is set out on page 6. The company paid dividends of £256.7m (2012: £63.4m) in the year. No final dividend for the year is proposed.

### Future developments

The company remains within the Kelda Holdings Limited group, but has no intention to trade in the foreseeable future.

### Principal risks and uncertainties

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

### Key performance indicators

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

### 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  
E M Barber  
S D McFarlane

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.

### Independent auditors

PricewaterhouseCoopers LLP were reappointed as auditors during the year and have indicated their willingness to continue in office.

### Directors' statement as to disclosure of information to the 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.

On behalf of the board



S D McFarlane  
Director  
11 July 2013

## 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 period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 period. 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the board



S D McFarlane  
Company Secretary  
11 July 2013



## **Independent auditors' report**

### **to the members of Yorkshire Water Services Holdings Limited**

We have audited the financial statements of Yorkshire Water Services Holdings Limited for the year ended 31 March 2013 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

As explained more fully in the statement of 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). 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 members as a body 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.

#### **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 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 Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.


## **Independent auditors' report**

**to the members of Yorkshire Water Services Holdings Limited (continued)**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report.

  
Richard Bunter (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
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.

## Profit and Loss Account

for the year ended 31 March 2013

	Note	Year ended 31 March 2013 £	Year ended 31 March 2012 £
<b>Operating profit</b>		-	-
Income from shares in group undertakings	6	<b>256,683,118</b>	63,454,683
<b>Profit on ordinary activities before taxation</b>		<b>256,683,118</b>	63,454,683
Tax on profit on ordinary activities	5	-	-
<b>Profit for the financial year</b>		<b>256,683,118</b>	63,454,683

All activities relate to continuing operations.

There are no recognised gains or losses attributable to the shareholders for the year ended 31 March 2013 (2012: £nil), other than those stated above.

There is no difference between the profit and loss account above and its historical cost equivalent.

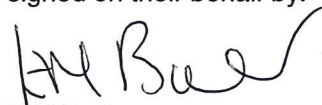


## Balance sheet

at 31 March 2013

	Note	2013	2012
		£	£
<b>Fixed assets: Investments</b>	7	<b>778,318,509</b>	778,318,509
<b>Current assets:</b>			
Debtors	8	1	1
Cash at bank and in hand		1	1
<b>Net assets</b>		<b>778,318,511</b>	778,318,511
<b>Capital and reserves</b>			
Called up share capital	9	2	2
Share premium account		<b>778,318,509</b>	778,318,509
<b>Total shareholder's funds</b>		<b>778,318,511</b>	778,318,511

The financial statements on pages 6 to 10 were approved by the board of directors and were signed on their behalf by:



E M Barber  
Director  
11 July 2013

Registered no. 06815156

## Notes to the financial statements

for the year ended 31 March 2013

### 1. Accounting policies

#### *Basis of accounting*

The company's financial statements are prepared on a going concern basis, under the historical cost convention in accordance with all applicable United Kingdom accounting standards and with the Companies Act 2006.

The accounting policies have been reviewed in accordance with the requirements of FRS 18. The directors consider that the accounting policies adopted remain most appropriate to the company's circumstances, have been consistently applied and are supported by reasonable and prudent estimates and judgements.

The financial statements present information about the company as an individual company undertaking and do not contain consolidated financial information as the parent of a group. The company is exempt from preparing group financial statements under section 400 of the Companies Act 2006 as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Kelda Eurobond Co Limited, a company registered in England and Wales.

#### *Investments in subsidiaries*

Investments in subsidiaries are stated at cost and reviewed for impairment if there are indications that the carrying value may not be recoverable.

#### *Investment income*

Investment income comprises dividends receivable from Yorkshire Water Services Holdings Limited's subsidiary company, Yorkshire Water Services Limited. Dividends receivable are recognised when the shareholders' right to receive the revenue is established.

### 2. Auditors' remuneration

The auditors' remuneration was borne by Kelda Group Limited.

### 3. Directors' emoluments

All the directors are employees, or directors, of other group undertakings and are remunerated by the relevant undertaking and received no emoluments in respect of their services to the company.

### 4. Staff numbers

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

## Notes to the financial statements

for the year ended 31 March 2013 (continued)

### 5. Tax on profit on ordinary activities

Total tax on profit on ordinary activities for the year is £nil (2012: £nil). The tax charge for the year is lower (2012: lower) than the standard rate of corporation tax in the UK of 24% (2012: 26%). The differences are explained below:

	Year ended 31 March 2013 £	Year ended 31 March 2012 £
Profit from continuing operations before taxation	256,683,118	63,454,683
Tax on profit at standard UK rate of 24% (2012: 26%)	61,603,948	16,498,218
Investment income receivable not taxable	(61,603,948)	(16,498,218)
	-	-

### 6. Dividends

Dividends of £256,683,118 (2012: £63,454,683) (33p per ordinary share) were received from the subsidiary company, Yorkshire Water Services Limited during the year, and paid on to the company's parent entity as a distribution.

### 7. Fixed asset investments

The fixed asset investment of £778,318,509 comprises a 100% investment of ordinary shares in Yorkshire Water Services Limited, whose principal activities are the supply of clean water and treatment and disposal of waste water in Yorkshire. The investment has been held since incorporation and there have been no movements from incorporation to 31 March 2013. The directors believe that the carrying value of the investments is supported by their underlying net assets.

### 8. Debtors

	2013 £	2012 £
Amounts owed by parent company	1	1

The amounts owed by parent company are unsecured, do not bear interest and are payable on demand.

### 9. Called up share capital

	Authorised 2013 £	2012 £	Allotted and fully paid 2013 £	2012 £
Ordinary shares of £1 each	100	100	2	2

## Notes to the financial statements

for the year ended 31 March 2013 (continued)

### 10. Reconciliation of shareholder's funds

	Called up share capital	Share premium account	Profit and loss account	Total
	£	£	£	£
At 1 April 2011	2	778,318,509	-	778,318,511
Profit for the year	-	-	63,454,683	63,454,683
Dividends	-	-	(63,454,683)	(63,454,683)
At 31 March 2012	2	778,318,509	-	778,318,511
Profit for the year	-	-	256,683,118	256,683,118
Dividends	-	-	(256,683,118)	(256,683,118)
<b>At 31 March 2013</b>	<b>2</b>	<b>778,318,509</b>	<b>-</b>	<b>778,318,511</b>

### 11. Cash flow statement

The company is a wholly owned subsidiary of Kelda Eurobond Co Limited and is included in the consolidated financial statements of Kelda Eurobond Co Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (Revised 1996).

### 12. Related party transactions

The company is exempt under the terms of FRS 8 from disclosing related party transactions with entities that are subsidiaries of the Kelda Eurobond Co Limited group, whose financial statements are publicly available.

### 13. Ultimate parent undertaking

During the year the entire share capital of the company was acquired from Kelda Group Limited by Kelda Finance (No. 2) Limited, a fellow subsidiary of Kelda Group Limited.

At 31 March 2013 the company's immediate parent company is Kelda Finance (No. 2) Limited. The company's ultimate parent company and controlling party is Kelda Holdings Limited, a company registered in Jersey. 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.