

Yorkshire Water Services Odsal Finance Holdings Limited

Annual report and financial statements

Registered number MC-219850

Year ended 31 March 2018

Contents

	Page:
Directors and advisers	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report to the members of Yorkshire Water Services Odsal Finance Holdings Limited	4
Balance sheet	6
Statement of changes in equity	7
Notes to the financial statements	8

Directors and advisers

Directors

R Flint
E M Barber
C Forrest (resigned 15 December 2017)

Independent auditors

Deloitte LLP
Statutory Auditors
1 City Square
Leeds
LS1 2AL

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 non-statutory financial statements of the company for the year ended 31 March 2018.

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 ('WBS'). 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 is dormant and 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

Yorkshire Water has committed to taking the necessary steps to remove the Cayman companies from the WBS and for future debt to be raised by a new company incorporated and tax resident in the UK. The necessary consents for these changes from HMRC, Ofwat and financial creditors within the WBS were obtained in May and June 2018. These changes are in the process of being implemented, and will be completed during 2018.

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 (resigned 15 December 2017)

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. This confirmation is given and should be interpreted in accordance with the provisions of s148 of the Companies Act 2006.

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.

Independent auditors

The auditors, Deloitte LLP, have indicated their willingness to continue in office and the Board has passed a resolution confirming their reappointment.

Directors' report (continued)

Directors' responsibilities statement

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.

By order of the board



E M Barber
Director

27 July 2018

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

Report on the audit of the non-statutory financial statements

Opinion

In our opinion the non-statutory financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework".

We have audited the financial statements of Yorkshire Water Services Odsal Finance Holdings Limited (the 'company') which comprise:

- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 7.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the non-statutory financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the non-statutory financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the non-statutory financial statements is not appropriate; or
- the directors have not disclosed in the non-statutory financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the non-statutory financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the non-statutory financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of non-statutory financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-statutory financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the non-statutory financial statements

Our objectives are to obtain reasonable assurance about whether the non-statutory financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-statutory financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's directors, as a body, in accordance with our engagement letter dated 18 July 2018 and solely for the purpose of assisting the Directors in complying with their obligations to provide audited financial statements to the Security Trustee in accordance with the Common Terms agreement dated 24 July 2009 between the directors and Deutsche Bank AG. Our audit work has been undertaken so that we might state to the company's directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our audit work, for this report, or for the opinions we have formed.



Deloitte LLP
Leeds, UK
27 July 2018

Balance sheet
as at 31 March 2018

	Note	2018 £'000	2017 £'000
Net assets		-	-
Capital and reserves			
Called up share capital	6	42,132	42,132
Profit and loss account	6	(42,132)	(42,132)
Total shareholder's funds		-	-

These financial statements on pages 6 to 9 were approved by the board of directors on 27 July 2018 and were signed on its behalf by:



E M Barber
Director

Company registered number: MC-219850

Statement of changes in equity
for the year ended 31 March 2018

	Called up share capital £'000	Profit and loss account £'000
Balance at 1 April 2017	42,132	(42,132)
Balance at 31 March 2018	42,132	(42,132)

	Called up Share capital £'000	Profit and loss account £'000
Balance at 1 April 2016	42,132	(42,132)
Balance at 31 March 2017	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") and the Companies Act 2006 as applicable to companies using FRS 101.

In preparing these non-statutory 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.

The company is exempt from the requirement to prepare and deliver consolidated financial statements for the year ended 31 March 2018 because financial statements are produced by Kelda Holdings Limited. Kelda Holdings Limited indirectly owns 100% of the ordinary share capital of Yorkshire Water Services Odsal Finance Holdings Limited.

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:

- 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.

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 2018, have had a material impact on the company.

Measurement convention

The financial statements are prepared under the historical cost convention.

Going concern

The financial statements have been prepared using the going concern basis of accounting.

Notes to the financial statements (continued)

2 Accounting estimates and judgements

The preparation of financial statements with FRS 101 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 estimation uncertainty deemed significant in these financial statements.

3 Expenses and auditor's remuneration

Auditor's remuneration of £500 (2017: £500) has been borne by Yorkshire Water Services Limited in relation to the audit of these financial statements.

4 Directors' remuneration

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 (2017: £nil).

5 Staff numbers and costs

The company did not have any employees during the year ended 31 March 2018 (2017: nil).

6 Capital and reserves

Called up share capital	2018 £'000	2017 £'000
<i>Allotted, called up and fully paid</i>		
42,132,113 (2017: 42,132,113) ordinary shares at £1 each (2017 at £1 each)	42,132	42,132
	<u>42,132</u>	<u>42,132</u>

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.

The profit and loss account represents cumulative profits or losses, net of dividends paid.

7 Ultimate parent company, parent company of larger group and investments

The company is a subsidiary undertaking of Kelda Holdings Limited which is the ultimate parent company and ultimate controlling party, incorporated in Jersey and resident for tax in the UK.

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, West Yorkshire, BD6 2SZ.

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, Ugland House, Grand Cayman, Cayman Islands, KY1-1104. The cost of the investment has been written down to £nil (2017: £nil).

	Country of Incorporation	Nature of business	Class of shares held	Ownership	
				2018	2017
Yorkshire Water Services Odsal Finance Limited	Cayman Islands	Raising finance for use in Yorkshire Water Services Limited	Ordinary	100%	100%