

Yorkshire Water Finance Plc

Condensed Interim Financial Statements

Registered number 11444372

For the six month period ended 30 September 2021



Contents

Information to accompany the condensed interim financial statements	1
Condensed Statement of Profit and Loss Account	2
Condensed Balance Sheet	3
Condensed Statement of Changes in Equity	4
Notes to the condensed interim financial statements	5

Information to accompany the condensed interim financial statements

The results for Yorkshire Water Finance Plc (the company) for the six month period ended 30 September 2021 are presented in this report.

Principal activities and business review

The company is a wholly owned subsidiary of Kelda Holdings Limited (Kelda group) and operates as part of the Kelda group's regulated water and wastewater business.

The principal activity of the company during the period continues to be that of raising finance for use in the business of its immediate parent company, Yorkshire Water Services Limited (Yorkshire Water).

The Yorkshire Water Financing Group (YWFG) was established in 2009 when the Whole Business Securitisation (WBS) of Yorkshire Water and its subsidiaries was completed and provides a permanent and stable platform for the long-term financing of Yorkshire Water. The WBS created a ring-fence around the YWFG, now comprising Yorkshire Water, Yorkshire Water Services Holdings Limited, Yorkshire Water Services Finance Limited and the company.

On 20 April 2021, the company agreed terms for the issue of £350.0m of sustainability bonds with a tenor of 11.5 years and at a coupon of 1.75%. The net proceeds from the issue of these bonds were loaned to Yorkshire Water.

Financial performance and outlook

During the six months ended 30 September 2021 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.

Principal risks and uncertainties

The risks which the company is exposed to include interest rate, credit, liquidity and market risk in relation to financial instruments. The principal risks and uncertainties for the group, and how these are mitigated, are discussed in the Kelda Eurobond Co Limited annual report and financial statements (ARFS) for the year ended 31 March 2021 (which do not form part of these condensed interim financial statements).

Responsibility statement

This condensed set of interim financial statements, which has been prepared in accordance with the applicable set of accounting standards, gives a true and fair view of the assets, liabilities, financial position and profit or loss for the period. The Directors confirm that the condensed interim financial statements have been prepared in accordance with FRS 104 'Interim Financial Reporting' issued by the Financial Reporting Council, and that the interim management report includes a fair review of the information required by Disclosure Guidance and Transparency Rules (DTR) 4.2.7. As the company does not issue listed shares, DTR 4.2.8 in respect of related party transactions has not been applied.

Condensed Statement of Profit and Loss Account

for the six month period ended 30 September 2021

		Unaudited six month period ended 30 September 2021 £'000	Unaudited six month period ended 30 September 2020 £'000
Reversal of impairment of intercompany receivables		2,182	1,320
Interest receivable and similar income		86,605	68,532
Interest payable and similar charges		(86,536)	(68,475)
		<hr/>	<hr/>
Profit before taxation		2,251	1,377
Taxation	2	(15)	(15)
		<hr/>	<hr/>
Profit for the six month period		2,236	1,362
		<hr/> <hr/>	<hr/> <hr/>

Condensed Balance Sheet

as at 30 September 2021

	Note	Unaudited at 30 September 2021 £'000	Audited at 31 March 2021 £'000
Fixed assets			
Non-current debtors	3	4,356,410	4,023,049
Current assets			
Current debtors	3	216,005	222,711
Cash and cash equivalents		412	347
		<u>216,417</u>	<u>223,058</u>
Creditors: amounts falling due within one year	4	(219,217)	(224,550)
Net current liabilities		(2,800)	(1,492)
Total assets less current liabilities		4,353,610	4,021,557
Creditors: amounts falling due after more than one year	5	(4,357,490)	(4,027,673)
Net liabilities		(3,880)	(6,116)
Capital and reserves			
Called up share capital		50	50
Share premium account		2,180	2,180
Profit and loss account		(6,110)	(8,346)
Total shareholders' deficit		(3,880)	(6,116)

The condensed interim financial statements, that are unaudited, were approved by the Board of Directors on 26 November 2021 and signed on its behalf by:



C Johns

Director

Condensed Statement of Changes in Equity

for the six month period ended 30 September 2021

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total shareholders' (deficit)/funds £'000
Balance at 1 April 2021	50	2,180	(8,346)	(6,116)
Total comprehensive income for the period				
Profit for the six month period	-	-	2,236	2,236
Balance at 30 September 2021	<u>50</u>	<u>2,180</u>	<u>(6,110)</u>	<u>(3,880)</u>

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total shareholders' (deficit)/funds £'000
Balance at 1 April 2020	50	2,180	(9,793)	(7,563)
Total comprehensive income for the period				
Profit for the six month period	-	-	1,362	1,362
Balance at 30 September 2020	<u>50</u>	<u>2,180</u>	<u>(8,431)</u>	<u>(6,201)</u>

Notes to the condensed interim financial statements

1 Basis of preparation and accounting

The financial information for the six month period ended 30 September 2021 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 ARFS for the year ended 31 March 2021, 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 for the year ended 31 March 2021. 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.

2 Taxation

	Unaudited six month period ended 30 September 2021	Unaudited six month period ended 30 September 2020
	£'000	£'000
Current tax	(15)	(15)

3 Debtors

	Unaudited at 30 September 2021	Audited at 31 March 2021
	£'000	£'000
Amounts owed by parent company	4,578,912	4,254,439
Expected credit loss provision	(6,497)	(8,679)
	4,572,415	4,245,760
Analysed as:		
Current debtors - due within one year	216,005	222,711
Non-current debtors - due after more than one year	4,356,410	4,023,049
	4,572,415	4,245,760

The amounts owed by parent company represent loans to Yorkshire Water which are unsecured, bear interest at varying nominal rates and have contractual repayment dates, together with accrued interest.

Notes to the condensed interim financial statements

4 Creditors: amounts falling due within one year

	Unaudited at 30 September 2021 £'000	Audited at 31 March 2021 £'000
Guaranteed bonds and private notes	171,523	168,737
Accrued interest	47,679	55,798
Corporation tax	15	15
	<u>219,217</u>	<u>224,550</u>

5 Creditors: amounts falling due after one year

	Unaudited at 30 September 2021 £'000	Audited at 31 March 2021 £'000
Guaranteed bonds and private notes	<u>4,357,490</u>	<u>4,027,673</u>

6 Analysis of net debt

	Unaudited at 30 September 2021 £'000	Audited at 31 March 2021 £'000
Cash and cash equivalents	<u>(412)</u>	<u>(347)</u>
Short term borrowings		
Guaranteed bonds and private notes	<u>171,523</u>	<u>168,737</u>
Long term borrowings		
Guaranteed bonds and private notes	<u>4,357,490</u>	<u>4,027,673</u>
Total net debt	<u>4,528,601</u>	<u>4,196,063</u>

