

Kelda Finance (No.1) Limited

Condensed Consolidated Interim

Registered number 08066326

For the six month period ended 30 September 2022



Contents

Information to accompany the Condensed Consolidated Interim Financial Statements	1
Group Condensed Consolidated Statement of Profit and Loss	2
Group Condensed Consolidated Statement of Other Comprehensive Income	3
Group Condensed Consolidated Statement of Financial Position	4
Group Condensed Consolidated Statement of Changes in Equity	6
Group Condensed Consolidated Statement of Cash Flows	7
Notes to the Condensed Consolidated Interim Financial Statements	8

Information to accompany the Condensed Consolidated Interim Financial Statements

The consolidated results for Kelda Finance (No.1) Limited for the six month period ended 30 September 2022 are presented in this report.

Kelda Finance (No.1) Limited is the holding company of a group including Kelda Finance (No.2) Limited, Kelda Finance (No.3) Plc, Yorkshire Water Services Holdings Limited and its subsidiary companies, including Yorkshire Water Services Limited (Yorkshire Water), the group's principal trading entity. All entities are wholly owned subsidiaries within the Kelda Holdings Limited group (Kelda group) and operate as part of the Kelda group's regulated water and wastewater business. These interim statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Principal risks and uncertainties

The risks which the company are 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 included in the Kelda Finance (No.1) Limited Annual Report and Financial Statements for the year ended 31 March 2022 (which do not form part of these condensed interim Financial Statements).

Group Condensed Consolidated Statement of Profit and Loss

For the six month period ended 30 September 2022

	Note	Unaudited six month period ended 30 September 2022 £m	Unaudited six month period ended 30 September 2021 £m
Group revenue		580.4	570.2
Operating costs (including exceptional items of £1.8m (2021: £6.3m) (note 2))		(452.5)	(425.2)
Group operating profit		127.9	145.0
Finance income		32.0	24.4
Finance costs		(218.4)	(138.1)
Fair value movements on financial instruments	7	1,026.0	(208.5)
Profit/(loss) before taxation		967.5	(177.2)
Tax charge	3	(263.9)	(41.6)
Profit/(loss) for the period		703.6	(218.8)

Group Condensed Consolidated Statement of Other Comprehensive Income

For the six month period ended 30 September 2022

	Unaudited six month period ended 30 September 2022 £m	Unaudited six month period ended 30 September 2021 £m
Profit/(loss) for the period	703.6	(218.8)
Items that will not be reclassified to profit or loss:		
Income tax on previously revalued fixed assets	(0.9)	(48.6)
Remeasurement of employer funded retirement benefit scheme before taxation (EFRBS)	1.3	(0.1)
Deferred tax movement in relation to retirement benefits	(0.3)	0.1
	<hr/> 0.1	<hr/> (48.6)
Items that may subsequently reclassified to profit or loss:		
Gains on cash flow hedges taken to equity	19.2	31.6
Deferred tax on cash flow hedges	(4.8)	(8.3)
	<hr/> 14.4	<hr/> 23.3
Total comprehensive income/(expense) for the period	<hr/> 718.1 <hr/> <hr/>	<hr/> (244.1) <hr/> <hr/> <hr/>

Group Condensed Consolidated Statement of Financial Position

As at 30 September 2022

	Note	Unaudited at 30 September 2022 £m	Audited at 31 March 2022 £m
Non-current assets			
Intangible assets		200.1	189.8
Property, plant and equipment		9,274.3	9,202.6
Right of use assets		45.3	45.5
Derivative financial assets	7	292.3	172.2
Trade and other receivables		828.3	1,124.3
		10,640.3	10,734.4
Current assets			
Inventories		7.7	6.6
Trade and other receivables		591.8	270.7
Tax assets		-	2.4
Cash and cash equivalents	5	43.9	31.6
Derivative financial assets	7	49.8	44.3
		693.2	355.6
Total assets		11,333.5	11,090.0
Current liabilities			
Trade and other payables		(397.7)	(447.5)
Lease liabilities		(5.0)	(4.3)
Deferred grants and contributions on depreciated assets		(13.0)	(12.4)
Short term borrowings	5	(602.2)	(632.4)
Derivative financial liabilities	7	(5.2)	-
		(1,023.1)	(1,096.6)
Non-current liabilities			
Long term borrowings	5	(5,468.3)	(5,251.9)
Long term payables		(1.2)	(1.2)
Lease liabilities		(47.1)	(48.4)
Derivative financial liabilities	7	(1,765.8)	(2,630.9)
Deferred grants and contributions on depreciated assets		(541.6)	(530.6)
Provisions		(10.1)	(11.8)
Deferred tax liabilities		(962.8)	(692.9)
		(8,796.9)	(9,167.7)
Total liabilities		(9,820.0)	(10,264.3)
Net assets		1,513.5	825.7

Group Condensed Consolidated Statement of Financial Position (continued)

As at 30 September 2022

	Note	Unaudited at 30 September 2022 £m	Audited at 31 March 2022 £m
Equity			
Share capital	10	-	-
Hedging reserve		49.6	35.2
Revaluation reserve		913.2	914.1
Accumulated profits/(losses)		550.7	(123.6)
Total equity		1,513.5	825.7

The Condensed Interim Financial Statements, that are unaudited, were approved by the Board of directors on 29 November 2022 and signed on its behalf by:



C Johns
Director

Group Condensed Consolidated Statement of Changes in Equity

For the six month period ended 30 September 2022

	Share capital	Hedging reserve	Revaluation reserve	Accumulated profits/(losses)	Total equity
	£m	£m	£m	£m	£m
At 31 March 2022	-	35.2	914.1	(123.6)	825.7
Profit for the period	-	-	-	703.6	703.6
Other comprehensive income/(expense)	-	14.4	(0.9)	1.0	14.5
Dividends paid (note 4)	-	-	-	(30.3)	(30.3)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2022	-	49.6	913.2	550.7	1,513.5
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	Share capital	Hedging reserve	Revaluation reserve	Accumulated profits/(losses)	Total equity
	£m	£m	£m	£m	£m
At 31 March 2021	-	5.7	255.7	304.4	565.8
Loss for the period	-	-	-	(218.8)	(218.8)
Other comprehensive income/(expense)	-	23.2	(48.6)	-	(25.4)
Dividends paid (note 4)	-	-	-	(16.5)	(16.5)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2021	-	28.9	207.1	69.1	305.1
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Group Condensed Consolidated Statement of Cash Flows

For the six month period ended 30 September 2022

	Note	Unaudited six month period ended 30 September 2022 £m	Unaudited six month period ended 30 September 2021 £m	Audited year ended 31 March 2022 £m
Cash flows from operating activities	8	268.0	294.6	605.6
Income taxes paid		(1.5)	(12.2)	(12.3)
Interest paid	9	(101.2)	(101.1)	(181.0)
Net cash generated from operating activities		165.3	181.3	412.3
Cash flows from/(used in) investing activities				
Interest received	9	29.9	24.3	48.9
Net proceeds from disposal of operations		-	-	1.7
Proceeds on disposals of property, plant and equipment		1.5	1.9	7.0
Purchases of property, plant and equipment		(260.5)	(209.4)	(403.3)
Net cash used in investing activities		(229.1)	(183.2)	(345.7)
Cash flows from/(used in) financing activities				
Dividends paid	4	(30.3)	(16.5)	(45.2)
Borrowings raised (net of fees)		358.3	418.9	668.8
Repayment of borrowings		(255.0)	(508.7)	(835.7)
Repayments of obligations under lease liabilities		(1.0)	(1.0)	(39.9)
Receipt of loan from parent company		4.1	4.1	8.1
Net cash from/(used in) financing activities		76.1	(103.2)	(243.9)
Net increase/(decrease) in cash and cash equivalents		12.3	(105.1)	(177.3)
Cash and cash equivalents at the start of the period		31.6	208.9	208.9
Cash and cash equivalents at the end of the period	5	43.9	103.8	31.6

Notes to the condensed consolidated interim Financial Statements

For the six month period ended 30 September 2022

1. Basis of preparation and accounting

The Financial Statements have been prepared in accordance with IFRS.

Except where stated otherwise, the accounting policies, methods of computation and presentation are consistent with those used for the audited Financial Statements of Kelda Finance (No.1) Limited for the year ended 31 March 2022. The group has not early-adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

These condensed consolidated interim Financial Statements consolidate the results of Kelda Finance (No.1) Limited, Kelda Finance (No.2) Limited, Kelda Finance (No.3) Plc, Yorkshire Water Services Holdings Limited, and its subsidiary companies for the six month period ended 30 September 2022.

Estimates and Judgements

The estimates and judgements applied in preparing these Financial Statements are consistent with those applied in the consolidated annual report and Financial Statements for the year ending 31 March 2022.

2. Exceptional items

	Unaudited for the period ended 30 September 2022	Unaudited for the period ended 30 September 2021
	£m	£m
Insurance income	-	(3.0)
Strategic business process review	1.8	9.3
	<hr/>	<hr/>
Total exceptional items	1.8	6.3
	<hr/> <hr/>	<hr/> <hr/>

3. Taxation

	Unaudited six month period ended 30 September 2022	Unaudited six month period ended 30 September 2021
	£m	£m
Current tax credit/(charge)	0.1	(5.3)
Deferred tax charge	(264.0)	(36.3)
	<hr/>	<hr/>
Total tax charge	(263.9)	(41.6)
	<hr/> <hr/>	<hr/> <hr/>
Deferred tax recognised in other comprehensive income	(6.0)	(56.8)
	<hr/> <hr/>	<hr/> <hr/>

The current tax charge comprises corporation tax calculated at the estimated effective tax rates for the year.

Notes to the condensed consolidated interim Financial Statements (continued)

For the six month period ended 30 September 2022

4. Dividends paid

	Unaudited six month period ended 30 September 2022	Unaudited six month period ended 30 September 2021
	£m	£m
Total dividends	30.3	16.5
	<hr style="border-top: 3px double #000;"/>	<hr style="border-top: 3px double #000;"/>

None of the dividends paid were available to the shareholders of Kelda Holdings Limited (2021: £nil), the ultimate parent company.

5. Analysis of net debt

	Unaudited at 30 September 2022	Audited at 31 March 2022
	£m	£m
Cash and cash equivalents:		
Cash and cash equivalents	(38.2)	(31.0)
Short term deposits	(5.7)	(0.6)
	<hr style="border-top: 1px solid #000;"/> (43.9)	<hr style="border-top: 1px solid #000;"/> (31.6)
Short term borrowings:		
Bank borrowings	-	64.8
Fixed rate guaranteed sterling bonds and notes	411.6	410.6
Fixed rate AUD bonds	28.6	-
Other borrowings	162.0	157.0
	<hr style="border-top: 1px solid #000;"/> 602.2	<hr style="border-top: 1px solid #000;"/> 632.4
	<hr style="border-top: 3px double #000;"/>	<hr style="border-top: 3px double #000;"/>

Notes to the condensed consolidated interim Financial Statements (continued)

For the six month period ended 30 September 2022

5. Analysis of net debt (continued)

	Unaudited at 30 September 2022 £m	Audited at 31 March 2022 £m
Long term borrowings:		
Bank borrowings	911.3	722.7
Fixed rate guaranteed sterling bonds and notes due in less than 5 years	442.3	298.8
Fixed rate guaranteed sterling bonds and notes due in more than 5 years	2,261.7	2,480.9
Inflation linked guaranteed sterling bonds and notes due in more than 5 years	1,620.6	1,508.8
Floating rate sterling notes due in more than 5 years	74.4	74.4
Fixed rate USD notes due in less than 5 years	158.0	137.0
Fixed rate AUD bonds due in less than 5 years	-	29.3
	<hr/> 5,468.3	<hr/> 5,251.9
Net debt (excluding amounts owed by parent entities)	6,026.6	5,852.7
Amounts owed by parent entities	(1,128.3)	(1,132.4)
	<hr/> 4,898.3	<hr/> 4,720.3

The bank borrowings stated above include £453.6m (31 March 2022: £389.6m) included in long term borrowings held at Kelda Finance (No.2) Limited. All other borrowings are held within the Yorkshire Water Services Holdings Limited group of companies.

As at 30 September 2022, amounts owed by parent entities include £195.1m, (31 March 2022: £199.2m) in respect of a loan that reflected the fair value of inflation linked swaps at the date of novation from Saltaire Water Limited to Yorkshire Water in August 2008, and a £742.1m loan (31 March 2022: £742.1m) to Kelda Eurobond Co Limited. In October 2022 it was agreed with Ofwat that these loans would be repaid by April 2027 on the following basis: at least, but an accepted repayment amount of, £300m by the end of June 2023; at least, but an accepted repayment amount of, £200m by the end of March 2025; the balance of the loans c£440m (to be defined by repayments made by the end of March 2025) by the end of March 2027.

Also included is a loan to Kelda Eurobond Co Limited of £191.1m (31 March 2022: £191.1m) from Kelda Finance (No.2) Limited.

On 7 April 2022, Kelda Finance (No.2) Limited successfully raised £65.0m new borrowings in the form of a secured bank loan (SONIA + 3.00% margin) with a tenor of seven years. Proceeds were used to refinance an existing loan that was otherwise due for repayment in December 2022.

On 10 August 2022, Yorkshire Water entered into a £100.0m index-linked (CPI) loan facility with a tenor of 10.0 years. The rate of interest, subject to indexation, is 0.695%. The loan was full drawn on 12 August 2022.

Notes to the condensed consolidated interim Financial Statements (continued)

For the six month period ended 30 September 2022

6. Contingent liabilities

Five claims have been issued at various dates between December 2019 and March 2021 against Yorkshire Water by personal search companies (PSCs). The claims relate to historical search fees that PSCs have paid to Yorkshire Water for water and drainage reports obtained when buying a house. The PSCs state that the historical fees should not have been paid to Yorkshire Water as the information should have been provided for no fee under the Environmental Information Regulations 2004. Yorkshire Water has adopted the same stance as the rest of the sector in relation to this claim in disagreeing with the interpretation taken on behalf of the PSCs. Yorkshire Water denies liability in relation to the claims and thus considers any outflow of economic benefit in relation to these claims is not probable. Accordingly, no provision has been recognised in this regard (2021: no provision recognised).

Yorkshire Water is subject to ongoing information requests from the EA and Ofwat, which were received on 18 November 2021 and on 8 March 2022 respectively. The subject of these investigations has impacted all water and sewerage companies in England and Wales. The outcome of these enquiries and any potential consequences is not known at this time.

7. Derivative financial assets and liabilities

	Unaudited as at 30 September 2022 £m	Audited as at 31 March 2022 £m
Derivative assets:		
Inflation linked swaps	221.0	129.4
Fixed to floating interest rate swaps	-	17.3
Floating to fixed interest rate swaps	20.6	-
Cross currency interest rate swaps	43.6	22.9
Energy derivatives	56.9	46.9
	342.1	216.5
Derivative liabilities:		
Inflation linked swaps	(1,700.7)	(2,611.5)
Fixed to floating interest rate swaps	(61.3)	-
Floating to fixed interest rate swaps	(3.8)	(14.7)
Cross currency interest rate swaps	(5.2)	(4.7)
	(1,771.0)	(2,630.9)
Net derivative financial liabilities	(1,428.9)	(2,414.4)

Notes to the condensed consolidated interim Financial Statements (continued)

For the six month period ended 30 September 2022

7. Derivative financial assets and liabilities (continued)

Total derivative financial assets of £342.1m (31 March 2022: £216.5m) include £49.8m (31 March 2022: £44.3m) maturing in less than one year and £292.3m (31 March 2022: £172.2m) maturing after more than one year. Amounts maturing within one year include energy derivatives of £49.8m (31 March 2022: £44.3m). Total derivative financial liabilities of £1,771.0m (31 March 2022: £2,630.9m) include £5.2m (31 March 2022: £nil) of cross currency interest rate swaps maturing in less than one year and £1,765.8m (31 March 2022: £2,630.9m) maturing after more than one year.

	Unaudited for the period ended 30 September 2022 £m	Unaudited for the period ended 30 September 2021 £m
Fair value movements on financial instruments		
Movement in fair value of inflation linked swaps	1,006.4	(208.6)
Movement in fair value of fixed to floating interest rate swaps	(78.2)	(7.7)
Movement in fair value of debt associated with fixed to floating interest rate swaps	76.8	7.1
Movement in fair value of floating to fixed interest rate swaps	21.0	0.8
Movement in fair value of cross currency interest rate swaps	20.3	3.5
Movement in fair value of debt associated with cross currency interest rate swaps	(20.3)	(3.6)
	1,026.0	(208.5)
	1,026.0	(208.5)

Inflation linked swaps

The group holds a number of inflation linked swaps, with a notional value of £1,289.0m. There are three cash flows associated with these inflation linked swaps:

- six monthly interest receivable linked to SONIA;
- six monthly interest payable linked to RPI; and
- an RPI-linked bullet that is payable on maturity of the instruments or at certain predetermined dates over the duration of the swaps.

In addition, a proportion of the inflation linked swaps also receive six monthly interest amounts based on a fixed rate.

Interest payments and receipts are accrued in the Group Condensed Consolidated Statement of Profit and Loss. The RPI bullet accumulated at the balance sheet date has been discounted using an appropriate rate applied to the specific life of the future accretion paydowns of the inflation linked swaps.

This is accrued in the Group Condensed Consolidated Statement of Profit and Loss and recognised within financial assets and liabilities. The RPI bullet accrued to 30 September 2022 was £418.0m (31 March 2022: £280.9m) which has been reduced by £127.1m (31 March 2022: £83.1m) when discounted to present value.

Notes to the condensed consolidated interim Financial Statements (continued)

For the six month period ended 30 September 2022

7. Derivative financial assets and liabilities (continued)

Inflation linked swaps (continued)

The group's portfolio of inflation linked swaps gave rise to a net liability of £1,479.7m at 30 September 2022 (31 March 2022: £2,482.1m), comprising £221.0m assets (31 March 2022: £129.4m) and £1,700.7m liabilities (31 March 2022: £2,611.5m). Included within this net amount, £290.9m (31 March 2022: £197.8m) represents the discounted value of the RPI bullet accrued to 30 September 2022. Also included within the net liability are net assets of £74.6m (31 March 2022: £76.1m) relating to day one deferred gains and losses recognised on the restructuring of certain inflation linked swaps in prior periods.

The valuation model used by the group to determine the fair value of the inflation linked swap portfolio as at 30 September 2022 includes a funding valuation adjustment, credit valuation adjustment and debit valuation adjustment to reflect the long term credit risk of the portfolio. All the swaps in the portfolio have super-senior status. The funding valuation adjustments, credit valuation adjustments and debit valuation adjustments to the valuation represent unobservable inputs that have the potential to materially affect the resultant fair valuation, and therefore require estimation techniques to be adopted by management. Management uses a third party expert to advise on the appropriateness of these assumptions, and have prepared sensitivity analysis in order to evaluate the impact of a reasonably possible range of assumptions on the resultant valuation. The total adjustment made to the valuation as a result of the assumptions adopted in respect of these key inputs was £242.3m (31 March 2022: £456.0m).

Interest rate swaps

The group holds £430.0m notional value (31 March 2022: £430.0m) of fixed to floating rate interest swaps. These swaps are recognised as a fair value liability of £61.3m at 30 September 2022 (31 March 2022: £17.3m asset). Hedge accounting has been applied. In line with IFRS 9, the financial instruments to which these fixed to floating interest rate swaps relate to have also been adjusted for the hedged interest rate risk at 30 September 2022. The net impact of the fair value movement of the fixed to floating interest rate swaps and the associated debt has resulted in £1.4m of expense (six month period ended 30 September 2021: £0.6m expense) to the profit and loss account. This represents the ineffectiveness in the hedge relationship due to factors such as credit risk.

The group holds a total of £197.0m notional value (31 March 2022: £45.0m) of floating to fixed interest rate swaps. This includes swaps held in Yorkshire Water, with a notional value of £45.0m recognised at a fair value liability of £3.8m at 30 September 2022 (31 March 2022: £14.7m liability). Hedge accounting has not been applied. Of the decrease in the liability of £10.9m in the six month period, £9.6m has been recognised in the profit and loss account as fair value income (six month period ended 30 September 2021: £0.8m cost), whilst £1.3m relates to net interest payments made during the period.

Notes to the condensed consolidated interim Financial Statements (continued)

For the six month period ended 30 September 2022

7. Derivative financial assets and liabilities (continued)

Interest rate swaps (continued)

In addition, Kelda Finance (No.2) Limited holds swaps with a notional value of £152.0m recognised at a fair value asset of £20.6m at 30 September 2022 (31 March 2022: £nil). Swaps with a notional value of £65.0m have been designated in a cash flow hedge relationship with a £65.0m bank loan drawn in April 2022. The net fair value income of these swaps of £9.2m in the period ended 30 September 2022 (six month period to 30 September 2021: £nil) has been recognised in the Condensed Statement of Comprehensive Income and Expense. The remaining swaps with £87.0m notional value have not been designated in hedge relationships. The net fair value income of £11.4m in the period ended 30 September 2022 (six month period to 30 September 2021: £nil) has been recognised in the Condensed Statement of Profit and Loss Account.

Cross currency interest rate swaps

The group hedges the fair value of USD borrowings using a series of interest rate and foreign currency swaps that in combination form cross currency interest rate swaps, swapping USD principal repayments into sterling and fixed rate USD interest payments into floating rate sterling interest payments. These swaps are recognised at a fair value asset of £43.6m at 30 September 2022 (31 March 2022: £22.9m asset). Hedge accounting has been applied and the currency basis is included in the hedge designation and it is a source of ineffectiveness.

The group hedges the fair value of AUD debt using a combined interest rate and foreign currency swap, swapping AUD principal repayments into sterling and fixed rate AUD interest payments into floating rate sterling interest payments. The swap is recognised at a fair value liability of £5.2m at 30 September 2022 (31 March 2022: £4.7m liability). Hedge accounting has been applied and the currency basis is included in the hedge designation, and it is a source of ineffectiveness.

Energy derivatives

The group holds UK electricity swaps, which help hedge the group's exposure to energy price risk by exchanging the average day ahead baseload index price of electricity in a given month for a fixed price. These are designated as cash flow hedges and hedge accounting has been applied. The net movement of £10.0m (six month period to 30 September 2021: £31.6m), has been recognised in the Group Condensed Consolidated Statement of Other Comprehensive Income.

Notes to the condensed consolidated interim Financial Statements (continued)

For the six month period ended 30 September 2022

8. Reconciliation of profit from continuing operations to cash generated by continuing operations

	Unaudited six month period ended 30 September 2022	Unaudited six month period ended 30 September 2021	Audited year ended 31 March 2022
	£m	£m	£m
Total profit/(loss) for the period	703.6	(218.8)	(382.8)
Tax charge	263.9	41.6	21.1
	<hr/>	<hr/>	<hr/>
Profit/(loss) from continuing operations before taxation	967.5	(177.2)	(361.7)
Finance income	(32.0)	(24.4)	(49.7)
Finance costs	218.4	138.1	293.6
Fair value movements	(1,026.0)	208.5	369.6
Depreciation	157.0	154.3	307.8
Profit on disposal of operation	-	-	(1.7)
Profit on disposal of property, plant and equipment	(1.5)	(1.8)	(7.0)
Amortisation of intangibles	16.2	12.4	28.4
Movements in provisions	(1.7)	-	11.4
Increase in inventories	(1.1)	(1.0)	(1.9)
(Increase)/decrease in trade and other receivables	(27.6)	(27.3)	8.2
(Decrease)/increase in trade and other payables	(7.2)	14.7	(11.1)
Amortisation of capital grants	(6.6)	(6.0)	(12.3)
Capital contributions	12.6	4.3	32.0
	<hr/>	<hr/>	<hr/>
Cash generated from continuing operations	268.0	294.6	605.6
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes to the condensed consolidated interim Financial Statements (continued)

For the six month period ended 30 September 2022

9. Cash interest

	Unaudited six month period ended 30 September 2022 £m	Unaudited six month period ended 30 September 2021 £m
Cash interest paid:		
External interest paid by Kelda financing group (KFG) ¹	(10.0)	(10.4)
External interest paid by Yorkshire Water financing group (YWFG) ²	(91.2)	(90.7)
	(101.2)	(101.1)
	(101.2)	(101.1)
Cash interest received:		
External interest received by YWFG ²	0.2	0.1
Interest received from parent entities	29.7	24.2
	29.9	24.3
	29.9	24.3

¹KFG is comprised of Kelda Finance (No.1), Kelda Finance (No.2) Limited and Kelda Finance (No.3) Plc.

²YWFG is the Yorkshire Water Services Holdings Limited group of companies.

10. Share capital

	Number	Ordinary shares £
Closing balance at 30 September 2022 and 31 March 2022	100	100
	100	100

11. Post balance sheet event

In October 2022 it was agreed with Ofwat that the loans receivable from Kelda Eurobond Co Limited to Yorkshire Water, totalling £940m, would be repaid to Yorkshire Water over the next five years. Further information has been included in note 5.

