

Yorkshire Water Finance Plc

Condensed interim Financial Statements

Registered number 11444372

For the six month period ended 30 September 2023



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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 2023 are presented in this report.

Principal activities and business review

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

The principal activity of the company 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 26 April 2023, the company repaid the AUD £50.0m 5.875% bonds that were due on that day. Yorkshire Water repaid a corresponding amount to the company.

On 27 June 2023, the company agreed terms for the issue of £300.0m of sustainability bonds, £25.0m of which matures in April 2035 with a coupon rate of 5.50%. The remaining £275.0m matures in April 2041 with a coupon rate of 2.75%. The bonds issued have been consolidated with the existing £250.0m 5.50% sustainability bonds due April 2035 and £450.0m 2.75% sustainability bonds respectively. The net proceeds from the issue of these bonds were loaned to Yorkshire Water. The bonds were issued on 4 July 2023.

Financial performance and outlook

During the six months ended 30 September 2023 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 included in the Kelda Holdings Limited Annual Report and Financial Statements (ARFS) for the year ended 31 March 2023 (which do not form part of these condensed interim Financial Statements).

Responsibility statement

These condensed interim Financial Statements, which have 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 Profit and Loss Account

for the six month period ended 30 September 2023

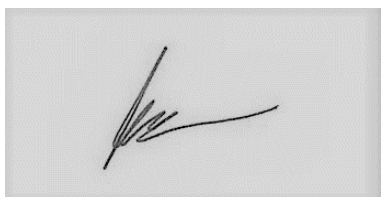
	Note	Unaudited six month period ended 30 September 2023 £'000	Unaudited six month period ended 30 September 2022 £'000
Impairment of intercompany receivables		(2,381)	(1,267)
Interest receivable and similar income		108,248	63,055
Interest payable and similar charges		(108,157)	(63,038)
Loss before taxation		(2,290)	(1,250)
Taxation	2	(16)	(15)
Loss for the six month period		(2,306)	(1,265)

Condensed Balance Sheet

as at 30 September 2023

	Note	Unaudited at 30 September 2023 £'000	Audited at 31 March 2023 £'000
Fixed assets			
Non-current debtors	3	4,361,814	4,173,915
Current assets			
Current debtors	3	203,878	227,720
Cash and cash equivalents		681	594
		<u>204,559</u>	<u>228,314</u>
Creditors: amounts falling due within one year	4	(204,997)	(229,282)
Net current liabilities		(438)	(968)
Total assets less current liabilities		4,361,376	4,172,947
Creditors: amounts falling due after more than one year	5	(4,371,743)	(4,181,008)
Net liabilities		(10,367)	(8,061)
Capital and reserves			
Called up share capital		50	50
Share premium account		2,180	2,180
Profit and loss account		(12,597)	(10,291)
Total shareholders' deficit		(10,367)	(8,061)

The condensed interim Financial Statements, which are unaudited, were approved by the Board of directors on 29 November 2023 and signed on its behalf by:



P S Inman
Director

Condensed Statement of Changes in Equity

for the six month period ended 30 September 2023

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total shareholders' deficit £'000
Balance at 1 April 2023	50	2,180	(10,291)	(8,061)
Total comprehensive expense for the period				
Loss for the six month period	-	-	(2,306)	(2,306)
Balance at 30 September 2023	50	2,180	(12,597)	(10,367)

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total shareholders' deficit £'000
Balance at 1 April 2022	50	2,180	(7,127)	(4,897)
Total comprehensive expense for the period				
Loss for the six month period	-	-	(1,265)	(1,265)
Balance at 30 September 2022	50	2,180	(8,392)	(6,162)

Notes to the condensed interim Financial Statements

1 Basis of preparation and accounting

The financial information for the six month period ended 30 September 2023 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 2023, 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 2023. 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 2023	Unaudited six month period ended 30 September 2022
	£'000	£'000
Current tax	(16)	(15)

3 Debtors

	Unaudited at 30 September 2023	Audited at 31 March 2023
	£'000	£'000
Amounts owed by parent company	4,578,687	4,412,248
Expected credit loss provision	(12,995)	(10,613)
	4,565,692	4,401,635
Analysed as:		
Current debtors - due within one year	203,878	227,720
Non-current debtors - due after more than one year	4,361,814	4,173,915
	4,565,692	4,401,635

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 2023 £'000	Audited at 31 March 2023 £'000
Amounts owed to parent company	7	-
Guaranteed bonds and private notes	146,411	169,949
Accrued interest	58,563	59,318
Corporation tax	16	15
	<u>204,997</u>	<u>229,282</u>

5 Creditors: amounts falling due after one year

	Unaudited at 30 September 2023 £'000	Audited at 31 March 2023 £'000
Guaranteed bonds and private notes	<u>4,371,743</u>	<u>4,181,008</u>

6 Analysis of net debt

	Unaudited at 30 September 2023 £'000	Audited at 31 March 2023 £'000
Cash and cash equivalents	<u>(681)</u>	<u>(594)</u>
Short term borrowings		
Guaranteed bonds and private notes	<u>146,411</u>	<u>169,949</u>
Long term borrowings		
Guaranteed bonds and private notes	<u>4,371,743</u>	<u>4,181,008</u>
Total net debt	<u>4,517,473</u>	<u>4,350,363</u>

