

Kelda Finance (No.2) Limited

Interim Financial Statements

For the 6 month period ended 30 September 2014

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Information to accompany the interim financial statements

Presented below are the results for Kelda Finance (No.2) Limited for the 6 month period ended 30 September 2014. These are prepared for the purposes of the £260m Facilities Agreement dated 14 June 2012.

Kelda Finance (No.2) Limited acts as a financing company within the Kelda Holdings Limited group.

Income statement

For the 6 month period ended 30 September 2014

		Unaudited 6 month period ended 30 Sep 2014 £'000	Unaudited 6 month period ended 30 Sep 2013 £'000	Audited Year ended 31 Mar 2014 £'000
	Note			
Revenue		-	-	-
Operating costs		-	-	(20)
Operating loss		-	-	(20)
Investment income		47,450	96,427	165,474
Finance costs		(7,592)	-	(14,858)
Profit before taxation		39,858	96,427	150,596
Tax charge	1	-	-	-
Profit for the period from continuing operations		39,858	96,427	150,596

Balance sheet

As at 30 September 2014

	Note	Unaudited At 30 Sep 2014 £'000	Unaudited At 30 Sep 2013 £'000	Audited At 31 Mar 2014 £'000
Non-current assets				
Investment in subsidiaries		778,461	778,461	778,461
		778,461	778,461	778,461
Current assets				
Trade and other receivables		1,405	18,960	1,389
Cash and cash equivalents	2	872	1,758	212
		2,277	20,718	1,601
Total Assets		780,738	799,179	780,062
Current liabilities				
Trade and other payables		(1,501)	(19,097)	(1,433)
Short term borrowings	2	(65,000)	(65,000)	(65,000)
		(66,501)	(84,097)	(66,433)
Non-current liabilities				
Long term borrowings	2	(197,500)	(197,500)	(197,500)
		(197,500)	(197,500)	(197,500)
Total liabilities		(264,001)	(281,597)	(263,933)
Net assets		516,737	517,582	516,129
Capital and reserves				
Called-up share capital	4	-	-	-
Share premium account	4	-	-	-
Profit and loss account	4	516,737	517,582	516,129
Total shareholder's funds		516,737	517,582	516,129

Cash flow statement

For the 6 month period ended 30 September 2014

	Note	Unaudited 6 month period ended 30 Sep 2014 £'000	Unaudited 6 month period ended 30 Sep 2013 £'000	Unaudited Year ended 31 Mar 2014 £'000
Cash generated by continuing operations		(36)	(275)	(645)
Income taxes paid		-	-	-
Interest paid		(7,505)	(7,739)	(14,868)
Net cash flow from operating activities		(7,541)	(8,014)	(15,513)
Investing activities				
Interest received		1	7	10
Dividends received		47,450	103,902	165,474
Net cash generated by investing activities		47,451	103,909	165,484
Financing activities				
Dividends paid	3	(39,250)	(99,652)	(155,274)
Borrowings raised (net of fees)		-	-	-
Repayment of borrowings		-	-	-
Net cash used in financing activities		(39,250)	(99,652)	(155,274)
Increase/(decrease) in cash and cash equivalents		660	(3,757)	(5,303)
Cash and cash equivalents at beginning of the period		212	5,515	5,515
Cash and cash equivalents at the end of the period	2	872	1,758	212

Notes to the financial statements

For the six months ended 30 September 2014

The accounting policies, methods of computation and presentation in these accounts are consistent with those that were applied in the annual financial statements of Kelda Finance (No.2) Limited for the year ended 31 March 2014. The company's financial statements are prepared under the historical cost convention in compliance with all applicable United Kingdom accounting standards (Financial Reporting Standards 'FRS', Statement of Standard Accounting Practice 'SSAP' and Urgent Issues Task Force abstract 'UITF').

1. Tax charge

	Unaudited 6 month period ended 30 Sep 2014 £'000	Unaudited 6 month period ended 30 Sep 2013 £'000	Audited Year ended 31 Mar 2014 £'000
Tax relating to continuing operations:			
Current tax	-	-	-
Deferred tax	-	-	-
Prior year tax	-	-	-
	-	-	-

The group's current tax differs from the standard rate of corporation tax in the UK of 21% due to investment income receivable that is not taxable.

2. Analysis of net debt

	Unaudited At 30 Sep 2014 £'000	Unaudited At 30 Sep 2013 £'000	Audited At 31 Mar 2014 £'000
Cash and cash equivalents:			
Cash at bank and in hand	872	1,758	212
	872	1,758	212
Short term borrowings:			
Bank loans	(65,000)	(65,000)	(65,000)
	(65,000)	(65,000)	(65,000)
Long term borrowings:			
Bank loans	-	-	-
Amounts owed to group undertakings	(197,500)	(197,500)	(197,500)
	(197,500)	(197,500)	(197,500)
Total net debt	(261,628)	(260,742)	(262,288)

Notes to the financial statements

For the six months ended 30 September 2014

3. Dividends paid

	Unaudited 6 month period ended 30 Sep 2014 £'000	Unaudited 6 month period ended 30 Sep 2013 £'000	Audited Year ended 31 Mar 2014 £'000
Cash dividends	39,250	99,652	155,274
Other dividends	-	-	-
Total dividends	39,250	99,652	155,274

4. Reconciliation of movements in equity

	Called-up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total shareholder's funds £'000
At 1 April 2013	-	-	520,807	520,807
Profit for the period	-	-	150,596	150,596
Dividends issued during the period	-	-	(155,274)	(155,274)
At 31 March 2014	-	-	516,129	516,129
Profit for the period	-	-	39,858	39,858
Dividends issued during the period	-	-	(39,250)	(39,250)
At 30 September 2014	-	-	516,737	516,737

