

Kelda Finance (No.3) PLC

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.3) PLC 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.3) PLC 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		-	-	(41)
Other operating income				20
Operating loss		-	-	(21)
Investment income		5,830	5,738	11,416
Finance costs		(6,004)	(5,997)	(11,961)
Loss before taxation		(174)	(259)	(566)
Tax charge	1	-	-	-
Loss for the period from continuing operations		(174)	(259)	(566)

Balance sheet

As at 30 September 2014

		Unaudited At 30 Sep 2014 £'000	Unaudited At 30 Sep 2013 £'000	Audited At 31 Mar 2014 £'000
Non-current assets				
Loans to parent company		197,500	197,500	197,500
		197,500	197,500	197,500
Current assets				
Trade and other receivables		1,461	1,453	1,381
Cash and cash equivalents	2	-	-	-
		1,461	1,453	1,381
Total Assets		198,961	198,953	198,881
Current liabilities				
Trade and other payables		(2,891)	(2,869)	(2,875)
Non-current liabilities				
Long term borrowings	2	(196,895)	(196,428)	(196,657)
Total liabilities		(199,786)	(199,297)	(199,532)
Net liabilities		(825)	(344)	(651)
Capital and reserves				
Called-up share capital	3	12	12	12
Profit and loss account	3	(837)	(356)	(663)
Total shareholder's funds		(825)	(344)	(651)

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	Audited Year ended 31 Mar 2014 £'000
Cash generated by continuing operations		-	44	44
Interest paid		(5,750)	(5,986)	(11,736)
Net cash flow from operating activities		(5,750)	(5,942)	(11,692)
Investing activities				
Interest received		5,750	5,986	11,736
Loans granted to parent company (net of fees)		-	-	-
Net cash generated by investing activities		5,750	5,986	11,736
Financing activities				
Share capital injection		-	-	-
Proceeds from issuance of bonds (net of fees)		-	-	-
Fees in relation to issuance of bonds		-	(52)	(52)
Net cash used in financing activities		-	(52)	(52)
Decrease in cash and cash equivalents		-	(8)	(8)
Cash and cash equivalents at beginning of the period		-	8	8
Cash and cash equivalents at the end of the period	2	-	-	-

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.3) Limited for the period ended 31 March 2014. The company's financial statements will be 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	-	-	-
	-	-	-
Long term borrowings:			
5.75% £200.0m bond repayable in 2020	(196,895)	(196,428)	(196,657)
	(196,895)	(196,428)	(196,657)
Total net debt	(196,895)	(196,428)	(196,657)

Notes to the financial statements

For the six months ended 30 September 2014

3. Reconciliation of movements in equity

	Called-up share capital £'000	Profit and loss account £'000	Total shareholder's funds £'000
At 1 April 2013	12	(97)	(85)
Loss for the year	-	(566)	(566)
At 31 March 2014	12	(663)	(651)
Loss for the period	-	(174)	(174)
At 30 September 2014	12	(837)	(825)

