

Kelda Finance (No.3) PLC

Condensed Interim Financial Statements

Registered number 8270049

For the six months ended 30 September 2018

Contents

Information to accompany the condensed interim financial statements	2
Condensed Statement of Profit and Loss Account	3
Condensed Statement of Financial Position	4
Condensed Statement of Changes in Equity	5
Notes to the condensed interim financial statements	6

Information to accompany the interim financial statements

The results for Kelda Finance (No.3) PLC (the 'Company') for the six month period ended 30 September 2018 are presented in this report.

Principal activities, review of the business

The principal activity of the company during the period continued to be that of raising finance for use in the business of the Kelda Holdings Limited group.

Financial performance and outlook

During the six months ended 30 September 2018 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 to which the company is exposed include interest rate, credit, liquidity and market risk in relation to financial instruments. The principal risks and uncertainties of the group are disclosed in the financial statements of Kelda Holdings Limited for the year ended 31 March 2018.

Condensed Statement Profit and Loss Account
for the 6 month period ended 30 September 2018

	<i>Note</i>	Unaudited 6 month period ended 30 September 2018 £'000	Unaudited 6 month period ended 30 September 2017 £'000
Interest receivable and similar income		5,797	5,789
Interest payable and similar charges		(6,007)	(6,006)
Operating loss on ordinary activities before taxation		(210)	(217)
Tax on loss on ordinary activities	2	40	-
Loss for the period		(170)	(217)

Condensed Statement of Financial Position

as at 30 September 2018

	<i>Note</i>	Unaudited at 30 September 2018 £'000	Audited at 31 March 2018 £'000
Current assets			
Debtors (including £197,500,000 (31 March 2018: £197,500,000) due after more than one year)	3	199,009	199,023
Cash at bank	6	101	-
		<hr/> 199,110	<hr/> 199,023
Creditors: amounts falling due within one year	4	(2,860)	(2,876)
		<hr/> 196,250	<hr/> 196,147
Net current assets		196,250	196,147
Total assets less current liabilities		196,250	196,147
Creditors: amounts falling due after more than one year	5	(199,015)	(198,742)
Net liabilities		<hr/> (2,765)	<hr/> (2,595)
Capital and reserves			
Called up share capital		12	12
Profit and loss account		(2,777)	(2,607)
Total Shareholders' deficit		<hr/> (2,765)	<hr/> (2,595)

Condensed Statement of Changes in Equity

for the 6 month period ended 30 September 2018

	Called up Share capital £'000	Profit and loss account £'000	Total Shareholders' funds £'000
Balance at 1 April 2018	12	(2,607)	(2,595)
Total comprehensive expense for the year			
Loss for the financial year	-	(170)	(170)
Total comprehensive expense for the financial year	-	(170)	(170)
Balance at 30 September 2018	12	(2,777)	(2,765)

	Called up share capital £'000	Profit and loss account £'000	Total Shareholders' funds £'000
Balance at 1 April 2017	12	(2,175)	(2,163)
Total comprehensive expense for 6 month period			
Loss for the period	-	(217)	(217)
Total comprehensive expense for the period	-	(218)	(218)
Balance at 30 September 2017	12	(2,392)	(2,380)

Notes to the condensed interim financial statements
for the 6 month period ended 30 September 2018

1 Basis of preparation and accounting

The financial information for the six month period ended 30 September 2018 has been prepared in accordance with FRS 104 'Interim Financial Reporting' and the Companies Act 2006. The financial information for the half year ended 30 September 2018 and the equivalent period in 2017 has not been audited and does not constitute statutory accounts.

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) PLC for the year ended 31 March 2018. The company's financial statements are prepared under the historical cost convention in compliance with Financial Reporting Standard 101 Reduced Disclosure Framework.

The financial statements have been prepared on a going concern basis, due to the continued financial support of the parent company, Kelda Group Limited.

IFRS 9 - financial instruments has been adopted for the first time, which replaces IAS 39: Recognition and measurement. There is no material impact on the financial statements. The principal risks and uncertainties as disclosed in the year end accounts are considered to be consistent with those that are still applicable now.

2 Taxation

Tax relating to continuing operations:

	Unaudited 6 month period ended 30 September 2018 £'000	Unaudited 6 month period ended 30 September 2017 £'000
<i>Current tax</i>		
Total current tax credit	40	-
	40	-
Tax on loss on ordinary activities	40	-

3 Debtors

	Unaudited at 30 September 2018 £'000	Audited at 31 March 2018 £'000
Debtors falling due within one year:		
Amounts owed by group undertakings	1,509	1,523
Debtors falling due in more than one year		
Amounts owed by group undertakings	197,500	197,500
Debtors	199,009	199,023

Amounts owed by group undertakings due within one year are unsecured, interest-free, have no contractual repayment date and are payable on demand. Amounts owed by group undertakings due after more than one year carry interest at 5.75% and are repayable in one instalment on 17 February 2020.

Notes to the condensed interim financial statements
for the 6 month period ended 30 September 2018

4 Creditors: amounts falling due within one year

	Unaudited at 30 September 2018 £'000	Audited at 31 March 2018 £'000
Trade creditors	4	4
Amounts owed to group	1,407	1,406
Other creditors	1,449	1,466
	2,860	2,876
	2,860	2,876

Amounts owed to group undertakings are unsecured, interest-free, have no contractual repayment date and are repayable on demand.

5 Creditors: amounts falling due more than one year

	Unaudited at 30 September 2018 £'000	Audited at 31 March 2018 £'000
Guaranteed bond 5.75% £200m bond repayable in 2020	199,015	198,742
	199,015	198,742
	199,015	198,742

6 Analysis of net debt

	Unaudited at 30 September 2018 £'000	Audited at 31 March 2018 £'000
Cash and cash equivalents:		
Cash at bank and in hand	101	-
	101	-
Long term borrowings:		
5.75% £200.0m bond repayable in 2020	(199,015)	(198,742)
	(199,015)	(198,742)
Total net debt	(198,914)	(198,742)