

**Kelda Finance (No.3) PLC**

**Condensed Interim Financial Statements**

Registered number 08270049

For the six months ended 30 September 2017

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## **Information to accompany the condensed interim financial statements**

The results for Kelda Finance (No.3) PLC (the 'Company') for the six month period ended 30 September 2017 are presented in this report.

### **Principal activities and business review**

The principal activity of the company during the period and in the foreseeable future is that of raising finance for use in business of the Kelda Holdings Limited group.

### **Financial performance and outlook**

During the six months ended 30 September 2017 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 2017.

**Condensed Profit and loss account**  
*for the 6 month period ended 30 September 2017*

	<b>Unaudited 6 month period ended 30 September 2017</b>	<b>Unaudited 6 month period ended 30 September 2016</b>
	<b>£'000</b>	<b>£'000</b>
Interest receivable and similar income	<b>5,789</b>	5,765
Interest payable and similar charges	<b>(6,006)</b>	(6,037)
<b>Operating loss on ordinary activities before taxation</b>	<b>(217)</b>	(272)
<b>Tax on loss on ordinary activities</b>	<b>-</b>	-
<b>Loss for the six month period</b>	<b>(217)</b>	(272)

*Note*

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**Condensed Balance Sheet**  
*as at 30 September 2017*

	<b>Unaudited at 30</b> <i>Note</i> <b>September 2017</b> <b>£'000</b>	Audited at 31 March 2017 £'000
<b>Current assets</b>		
Debtors (including £ 197,500,000 (31 March 2017: £197,500,000) due after more than one year)	3 <b>198,969</b>	198,930
	<b>198,969</b>	198,930
<b>Creditors: amounts falling due within one year</b>	5 <b>(2,880)</b>	(2,896)
	<b>196,089</b>	196,034
<b>Net current assets</b>	<b>196,089</b>	196,034
<b>Total assets less current liabilities</b>	<b>196,089</b>	196,034
<b>Creditors: amounts falling due after more than one year</b>	6 <b>(198,469)</b>	(198,197)
	<b>(2,380)</b>	(2,163)
<b>Net liabilities</b>	<b>(2,380)</b>	(2,163)
<b>Capital and reserves</b>		
Called up share capital	<b>12</b>	12
Profit and loss account	<b>(2,392)</b>	(2,175)
	<b>(2,380)</b>	(2,163)
<b>Total Shareholders' deficit</b>	<b>(2,380)</b>	(2,163)

**Condensed Statement of Changes in Equity**  
*for the 6 month period ended 30 September 2017*

	<b>Called up share capital £'000</b>	<b>Profit and loss account £'000</b>	<b>Total Shareholders' deficit £'000</b>
Balance at 1 April 2017	12	(2,175)	(2,163)
<b>Total comprehensive expense for the six month period</b>			
Loss for the six month period	-	(217)	(217)
Total comprehensive expense for the six month period	-	(217)	(217)
<b>Balance at 30 September 2017</b>	<b>12</b>	<b>(2,392)</b>	<b>(2,380)</b>
	<b>Called up Share capital £'000</b>	<b>Profit and loss account £'000</b>	<b>Total Shareholders' deficit £'000</b>
Balance at 1 April 2016	12	(1,625)	(1,613)
<b>Total comprehensive expense for the six month period</b>			
Loss for the six month period	-	(272)	(272)
Total comprehensive expense for the six month period	-	(272)	(272)
<b>Balance at 30 September 2016</b>	<b>12</b>	<b>(1,897)</b>	<b>(1,885)</b>

## **Notes to the condensed interim financial statements for the 6 month period ended 30 September 2017**

### **1 Basis of preparation and accounting**

The financial information for the six month period ended 30 September 2017 has been prepared in accordance with FRS 104 'Interim Financial Reporting' and the Companies Act 2006. The financial information for the six month period ended 30 September 2017 and the equivalent period in 2016 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 2017. 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.

No new standards, amendments or interpretations which will have a material impact on the financial statements have been adopted in the period. 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**

There is no tax charge in the year (2016: £nil). The tax loss that arises as a result of the company's net interest costs will be surrendered to other group companies for no payment.

### **3 Debtors**

	<b>Unaudited at 30 September 2017 £'000</b>	Audited at 31 March 2017 £'000
<b>Debtors falling due within one year:</b>		
Amounts owed by group companies	<b>1,469</b>	1,430
<b>Debtors falling due in more than one year:</b>		
Amounts owed by group undertakings	<b>197,500</b>	197,500
<b>Debtors</b>	<b>198,969</b>	198,930

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** *(continued)*  
*for the 6 month period ended 30 September 2017*

**4 Analysis of net debt**

	<b>Unaudited at 30 September 2017 £'000</b>	Audited at 31 March 2017 £'000
<b>Long term borrowings:</b>		
Guaranteed bond 5.75% £200m bond repayable in 2020	<b>198,469</b>	198,197
	<hr/>	<hr/>
<b>Total net debt</b>	<b>198,469</b>	198,197
	<hr/> <hr/>	<hr/> <hr/>

**5 Creditors: amounts falling due within one year**

	<b>Unaudited at 30 September 2017 £'000</b>	Audited at 31 March 2017 £'000
Trade creditors	<b>4</b>	4
Amounts owed to group undertakings	<b>1,426</b>	1,426
Other creditors	<b>1,450</b>	1,466
	<hr/>	<hr/>
	<b>2,880</b>	2,896
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Amounts owed to group undertakings are unsecured, interest-free, have no contractual repayment date and are repayable on demand.

**6 Creditors: amounts falling due more than one year**

	<b>Unaudited at 30 September 2017 £'000</b>	Audited at 31 March 2017 £'000
Guaranteed bond 5.75% £200m bond repayable in 2020	<b>198,469</b>	198,197
	<hr/>	<hr/>
	<b>198,469</b>	198,197
	<hr/> <hr/>	<hr/> <hr/>

Included in creditors falling due after more than one year are amounts repayable after five years by instalments. Borrowings are secured by group undertakings.