

# Kelda Finance (No.2) Limited

## *Interim Financial Statements*

For the 6 month period ended 30 September 2013



# Contents

Information to accompany the interim financial statements	1
Income statement	2
Balance sheet	3
Cash flow statement	4
Notes to the financial statements	5

## 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 2013. 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 2013

		<b>Unaudited 6 month period ended 30 Sep 2013 £'000</b>	Unaudited 21 Week period ended 30 Sep 2012 £'000	Audited 45 week period ended 31 Mar 2013 £'000
<b>Revenue</b>		-	-	-
Operating costs		-	-	(198)
<b>Operating loss</b>			-	(198)
Investment income		<b>96,427</b>	160,804	248,483
Finance costs		-	(3,184)	(9,264)
<b>Profit before taxation</b>		<b>96,427</b>	157,620	239,021
Tax charge	1	-	-	-
<b>Profit for the period from continuing operations</b>		<b>96,427</b>	157,620	239,021

# Balance sheet

As at 30 September 2013

	Note	Unaudited At 30 Sep 2013 £'000	Unaudited At 30 Sep 2012 £'000	Audited At 31 Mar 2013 £'000
<b>Non-current assets</b>				
Investment in subsidiaries		778,460	778,448	778,460
		<b>778,460</b>	<b>778,448</b>	<b>778,460</b>
<b>Current assets</b>				
Trade and other receivables		18,960	6,771	1,065
Cash and cash equivalents	2	1,758	-	5,515
		<b>20,718</b>	<b>6,771</b>	<b>6,580</b>
<b>Total Assets</b>		<b>799,178</b>	<b>785,219</b>	<b>785,040</b>
<b>Current liabilities</b>				
Trade and other payables		(19,096)	(3,184)	(1,733)
Short term borrowings	2	(65,000)	-	(65,000)
		<b>(84,096)</b>	<b>(3,184)</b>	<b>(66,733)</b>
<b>Non-current liabilities</b>				
Long term borrowings	2	(197,500)	(260,000)	(197,500)
		<b>(197,500)</b>	<b>(260,000)</b>	<b>(197,500)</b>
<b>Total liabilities</b>		<b>(281,596)</b>	<b>(263,184)</b>	<b>(264,233)</b>
<b>Net assets</b>		<b>517,582</b>	<b>522,035</b>	<b>520,807</b>
<b>Capital and reserves</b>				
Called-up share capital	4	-	-	-
Share premium account	4	-	-	-
Profit and loss account	4	517,582	522,035	520,807
<b>Total shareholder's funds</b>		<b>517,582</b>	<b>522,035</b>	<b>520,807</b>

# Cash flow statement

For the 6 month period ended 30 September 2013

	Note	Unaudited 6 month period ended 30 Sep 2013 £'000	Unaudited 21 week period ended 30 Sep 2012 £'000	Unaudited 45 week period ended 31 Mar 2013 £'000
<b>Cash generated by continuing operations</b>		<b>(275)</b>	(3,741)	(1,276)
Income taxes paid		-	-	-
Interest paid		<b>(7,739)</b>	(3,030)	(7,533)
<b>Net cash flow from operating activities</b>		<b>(8,014)</b>	(6,771)	(8,809)
<b>Investing activities</b>				
Interest received		7	-	3
Dividends received		<b>103,902</b>	160,804	248,483
<b>Net cash generated by investing activities</b>		<b>103,909</b>	160,804	248,486
<b>Financing activities</b>				
Dividends paid	3	<b>(99,652)</b>	(154,033)	(236,662)
Borrowings raised (net of fees)		-	-	197,500
Repayment of borrowings		-	-	(195,000)
<b>Net cash used in financing activities</b>		<b>(99,652)</b>	(154,033)	(234,162)
<b>(Decrease) / Increase in cash and cash equivalents</b>		<b>(3,757)</b>	-	5,515
<b>Cash and cash equivalents at beginning of the period</b>		<b>5,515</b>	-	-
<b>Cash and cash equivalents at the end of the period</b>	2	<b>1,758</b>	-	5,515

# Notes to the financial statements

For the six months ended 30 September 2013

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 2013. 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 2013 £'000	Unaudited 21 week period ended 30 Sep 2012 £'000	Audited 45 week period ended 31 Mar 2013 £'000
Tax relating to continuing operations:			
Current tax	-	-	-
Deferred tax	-	-	-
Prior year tax	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>

The group's current tax differs from the standard rate of corporation tax in the UK of 23% due to investment income receivable that is not taxable.

## 2. Analysis of net debt

	Unaudited At 30 Sep 2013 £'000	Unaudited At 30 Sep 2012 £'000	Audited At 31 Mar 2013 £'000
<b>Cash and cash equivalents:</b>			
Cash at bank and in hand	1,758	-	5,515
	<b>1,758</b>	<b>-</b>	<b>5,515</b>
<b>Short term borrowings:</b>			
Bank loans	<b>(65,000)</b>	(260,000)	(65,000)
	<b>(65,000)</b>	<b>(260,000)</b>	<b>(65,000)</b>
<b>Long term borrowings:</b>			
Bank loans	-	(260,000)	-
Amounts owed to group undertakings	<b>(197,500)</b>	-	(197,500)
	<b>(197,500)</b>	<b>(260,000)</b>	<b>(197,500)</b>
<b>Total net debt</b>	<b>(260,742)</b>	<b>(260,000)</b>	<b>(256,985)</b>

# Notes to the financial statements

For the six months ended 30 September 2013

## 3. Dividends paid

	Unaudited 6 month period ended 30 Sep 2013 £'000	Unaudited 21 week period ended 30 Sep 2012 £'000	Audited 45 week period ended 31 Mar 2013 £'000
Cash dividends	99,652	154,033	236,662
Other dividends	-	260,000	260,000
<b>Total dividends</b>	<b>99,652</b>	<b>414,033</b>	<b>496,662</b>

## 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
On incorporation	-	-	-	1
Shares issued during the period	-	778,448	-	778,448
Reduction in capital	-	(778,448)	778,448	-
Profit for the period	-	-	239,021	239,021
Dividends issued during the period	-	-	(496,662)	(496,662)
<b>At 31 March 2013</b>	<b>-</b>	<b>-</b>	<b>520,807</b>	<b>520,807</b>
Profit for the period	-	-	96,427	96,427
Dividends issued during the period	-	-	(99,652)	(99,652)
<b>At 30 September 2013</b>	<b>-</b>	<b>-</b>	<b>517,582</b>	<b>517,582</b>



