

**Kelda Finance (No.2) Limited**

**Interim Financial Statements**

Registered number 8072102

For the six months ended 30 September 2016

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

Presented below are the results for Kelda Finance (No.2) Limited (the 'Company') for the 6 month period ended 30 September 2016.

### **Principal activities, review of the business and future developments**

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

***Profit and Loss Account***  
*for the 6 month period ended 30 September 2016*

	<b>Unaudited 6 month period ended</b>	Unaudited 6 month period ended
<i>Note</i>	<b>30 September 2016</b>	30 September 2015
	<b>£'000</b>	£'000
Investment income	<b>94,758</b>	43,355
Interest payable and similar charges	<b>(6,960)</b>	(7,592)
Interest receivable and similar income	<b>1</b>	1
	<hr/>	<hr/>
<b>Operating profit on ordinary activities before taxation</b>	<b>87,799</b>	35,764
<b>Tax on profit on ordinary activities</b>	<i>2</i> -	-
	<hr/>	<hr/>
<b>Profit for the period from continuing operations</b>	<b>87,799</b>	35,764
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**Balance Sheet**  
*As at 30 September 2016*

	<b>Unaudited at 30</b> <i>Note</i> <b>September 2016</b> <b>£'000</b>	Audited at 31 March 2016 £'000
<b>Fixed assets</b>		
Investments	778,461	778,461
	<hr/>	<hr/>
	<b>778,461</b>	778,461
<b>Current assets</b>		
Debtors	1,446	1,446
Cash at bank and in hand	1,547	348
	<hr/>	<hr/>
	<b>2,993</b>	1,794
<b>Creditors:</b> amounts falling due within one year	<b>(1,716)</b>	(1,822)
	<hr/>	<hr/>
<b>Net current assets/(liabilities)</b>	<b>1,277</b>	(28)
	<hr/>	<hr/>
<b>Total assets less current liabilities</b>	<b>779,738</b>	778,433
<b>Creditors:</b> amounts falling due after more than one year	<b>(261,042)</b>	(260,978)
	<hr/>	<hr/>
<b>Net assets</b>	<b>518,696</b>	517,455
	<hr/> <hr/>	<hr/> <hr/>
<b>Capital and reserves</b>		
Called up share capital	-	-
Profit and loss account	518,696	517,455
	<hr/>	<hr/>
<b>Total Shareholders' funds</b>	<b>518,696</b>	517,455
	<hr/> <hr/>	<hr/> <hr/>

## Notes

	Note	Called up Share capital £'000	Profit and loss account £'000	Total Shareholders' funds £'000
Balance at 1 April 2015		-	516,321	516,321
<b>Total comprehensive income for the year</b>				
Profit for the financial year		-	75,798	75,798
Total comprehensive income for the financial year		-	75,798	75,798
Dividends		-	(74,664)	(74,664)
Total contributions by and distributions to owners		-	(74,664)	(74,664)
<b>Balance at 31 March 2016</b>		<b>-</b>	<b>517,455</b>	<b>517,455</b>
<b>Total comprehensive income for the 6 month period</b>				
Profit for the period		-	87,799	87,799
Total comprehensive income for the 6 month period		-	87,799	87,799
Dividends	4	-	(86,558)	(86,558)
Total contributions by and distributions to owners		-	(86,558)	(86,558)
<b>Balance at 30 September 2016</b>		<b>-</b>	<b>518,696</b>	<b>518,696</b>

## Notes

### 1 Basis of preparation and accounting

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 2016. 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

#### Tax relating to continuing operations:

	<b>Unaudited 6 month period ended</b>	Unaudited 6 month period ended
	<b>30 September 2016</b>	30 September 2015
	<b>£'000</b>	£'000
Current tax	-	-
Deferred tax	-	-
	<hr/>	<hr/>
Tax on profit on ordinary activities	-	-
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### 3 Analysis of net debt

	<b>Unaudited at 30 September 2016</b>	Audited at 31 March 2016
	<b>£'000</b>	£'000
<b>Cash and cash equivalents:</b>		
Cash at bank and in hand	<b>1,547</b>	348
	<hr/>	<hr/>
	<b>1,547</b>	348
	<hr/>	<hr/>
<b>Short term borrowings:</b>		
Bank loans	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
<b>Long term borrowings:</b>		
Bank loans	<b>(63,542)</b>	(63,478)
Amounts owed to group undertakings	<b>(197,500)</b>	(197,500)
	<hr/>	<hr/>
	<b>(261,042)</b>	(260,978)
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<b>Total net debt</b>	<b>(259,495)</b>	(260,630)
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**Notes** *(continued)*

**4 Dividends paid**

	<b>Unaudited 6 month period</b>	Unaudited 6 month period
	<b>30 September 2016 Total £'000</b>	30 September 2015 Total £'000
Dividends paid	<b>86,558</b>	35,155
<b>Total dividends</b>	<b>86,558</b>	35,155