

WESTERN POWER DISTRIBUTION (SOUTH WEST) plc

INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

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Interim condensed profit and loss account

For the six months ended 30 September

	2020	2019
	Unaudited	
	£m	£m
Turnover	158.5	180.7
Operating expenses	(79.3)	(83.8)
Operating profit	79.2	96.9
(Expense)/income from fixed asset investments	(1.8)	2.7
Profit on sale of fixed assets	0.1	-
Profit before interest and taxation	77.5	99.6
Interest receivable and similar income	1.5	1.7
Interest payable and similar charges	(23.9)	(26.5)
Net finance income/(expense) relating to pensions and other post-retirement benefits	1.2	(0.1)
Profit before taxation	56.3	74.7
Tax on profit	(8.3)	(12.3)
Profit for the financial period	48.0	62.4

Interim condensed statement of comprehensive income

For the six months ended 30 September

	2020	2019
	Unaudited	
	£m	£m
Profit for the period	48.0	62.4
Other comprehensive loss:		
<i>Other comprehensive loss to be reclassified to profit or loss in subsequent periods:</i>		
Reclassification adjustments for losses on cash flow hedges included in profit or loss (finance costs)	(0.1)	(0.1)
Other comprehensive loss for the period, net of tax	(0.1)	(0.1)
Total comprehensive income for the period, net of tax attributable to equity holders of the parent	47.9	62.3

Interim condensed statement of changes in equity

For the six months ended 30 September 2020

	Share capital £m	Share premium £m	Capital contribution £m	Hedging reserve £m	Retained earnings £m	Total equity £m
At 1 April 2020	438.2	4.1	6.2	1.5	733.2	1,183.2
Profit for the period	-	-	-	-	48.0	48.0
Other comprehensive loss	-	-	-	(0.1)	-	(0.1)
Total comprehensive income for the period	-	-	-	(0.1)	48.0	47.9
At 30 September 2020	438.2	4.1	6.2	1.4	781.2	1,231.1

Interim condensed statement of changes in equity

For the six months ended 30 September 2019

	Share capital £m	Share premium £m	Capital contribution £m	Hedging reserve £m	Retained earnings £m	Total equity £m
At 1 April 2019	438.2	4.1	6.2	1.7	574.9	1,025.1
Profit for the period	-	-	-	-	62.4	62.4
Other comprehensive loss	-	-	-	(0.1)	-	(0.1)
Total comprehensive income for the period	-	-	-	(0.1)	62.4	62.3
Equity dividends paid	-	-	-	-	(25.0)	(25.0)
At 30 September 2019	438.2	4.1	6.2	1.6	612.3	1,062.4

Interim condensed balance sheet

As at

		30 September 2020	31 March 2020
		Unaudited	
	Note	£m	£m
Non-current assets			
Tangible fixed assets	3	2,975.8	2,904.1
Right-of-use asset		1.0	1.0
Intangible assets		20.7	21.4
Investments		41.0	42.7
Pension asset		106.3	81.4
Trade and other receivables		1.2	2.2
		3,146.0	3,052.8
Current assets			
Stocks		16.5	13.3
Trade and other receivables		108.1	96.1
Cash at bank and in hand		21.9	41.9
		146.5	151.3
Creditors			
Amounts falling due within one year		(292.4)	(271.7)
Lease liabilities		(0.1)	(0.1)
		(146.0)	(120.5)
Net current liabilities		(146.0)	(120.5)
Total assets less current liabilities		3,000.0	2,932.3
Creditors			
Amounts falling due after more than one year		(1,578.9)	(1,566.1)
Lease liabilities		(0.9)	(0.9)
Provisions for liabilities			
Deferred tax		(178.8)	(171.7)
Other		(10.3)	(10.4)
		(189.1)	(182.1)
Net assets		1,231.1	1,183.2
Capital and reserves			
Called-up share capital		438.2	438.2
Share premium account		4.1	4.1
Capital redemption reserves		6.2	6.2
Hedging reserve		1.4	1.5
Profit and loss account		781.2	733.2
		1,231.1	1,183.2
Equity shareholder's funds		1,231.1	1,183.2

The financial statements on pages 1 to 6 were approved and authorised for issue by the Board of Directors on 21 December 2020 and were signed on its behalf by:



IR Williams
Finance Director

Interim condensed cash flow statement

For the six months ended 30 September

	2020	2019
	Unaudited	
	£m	£m
Operating activities		
Profit for the period	48.0	62.4
Adjustments to reconcile profit for the period to net cash flow from operating activities:		
Tax expense	8.3	12.3
Interest payable	23.9	26.6
Interest receivable	(2.7)	(1.7)
Depreciation of tangible fixed assets	26.2	25.0
Amortisation of customer contributions	(4.9)	(4.7)
Amortisation of intangible assets	2.0	1.5
Gain on disposal of tangible fixed assets	(0.1)	(0.1)
Difference between pension contributions paid and amounts recognised in the profit and loss account	(23.5)	(25.1)
(Decrease)/increase in provisions	(0.1)	0.3
Foreign exchange loss/(gain) on fixed asset investment	1.7	(2.5)
Working capital adjustments:		
(Increase)/decrease in inventories	(3.2)	1.2
Increase in trade and other receivables	(11.2)	(33.2)
Increase/(decrease) in trade and other payables	2.3	(42.1)
Interest paid	(9.4)	(8.6)
Interest received	1.5	1.7
Customers' contributions received*	13.8	16.3
Income taxes paid	(4.8)	(12.1)
Net cash from operating activities	67.8	17.2
Investing activities		
Purchase of tangible fixed assets	(95.3)	(106.7)
Proceeds from sale of tangible fixed assets	0.1	0.1
Transfer to Group undertaking	-	(0.2)
Purchase of intangible assets	(1.3)	(3.8)
Net cash used in investing activities	(96.5)	(110.6)
Financing activities		
Net increase in short-term borrowings	5.0	86.0
Dividends paid	-	(25.0)
Net cash from financing activities	5.0	61.0
Net decrease in cash at bank and in hand	(23.7)	(32.4)
Cash at bank and in hand at beginning of period	28.3	42.7
Cash at bank and in hand at end of period	4.6	10.3

*Contributions received from customers towards the cost of capital projects have been reclassified from investing to operating because the underlying nature of the cash inflow is from the business' ongoing regular activities.

Notes to the interim condensed financial statements

For the six months ended 30 September 2020

1. General information

The interim condensed financial statements of Western Power Distribution (South West) plc ("the Company") for the six months ended 30 September 2020 were authorised for issue by the Board of Directors on 21 December 2020. The Company is a public limited company incorporated and registered in England and Wales.

2. Significant accounting policies

Basis of preparation

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements as at and for the year ended 31 March 2020.

Going concern

The directors have prepared the financial statements on a going concern basis as they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future due to the strength of its balance sheet.

3. Tangible fixed assets

	Non network land & buildings £m	Distribution network £m	Fixtures & equipment £m	Vehicles & mobile plant £m	Total £m
Cost					
At 1 April 2020	11.9	3,843.0	54.0	37.6	3,946.5
Additions	-	97.2	6.1	0.7	104.0
Disposals and retirements	-	(19.3)	(4.1)	(0.6)	(24.0)
At 30 September 2020	11.9	3,920.9	56.0	37.7	4,026.5
Depreciation					
At 1 April 2020	1.8	993.1	29.0	18.5	1,042.4
Charge for the period	0.1	25.6	4.9	1.7	32.3
Disposals and retirements	-	(19.3)	(4.2)	(0.5)	(24.0)
At 30 September 2020	1.9	999.4	29.7	19.7	1,050.7
Net book value					
At 30 September 2020	10.0	2,921.5	26.3	18.0	2,975.8
At 1 April 2020	10.1	2,849.9	25.0	19.1	2,904.1