

WESTERN POWER DISTRIBUTION (SOUTH WEST) plc

INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

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Interim condensed profit and loss account

For the six months ended 30 September

	2019	2018
	Unaudited	
	£m	£m
Turnover	180.7	174.9
Operating expenses	(83.8)	(75.3)
Operating profit	96.9	99.6
Income from fixed asset investments	2.7	3.1
Profit on sale of fixed assets	-	0.1
Profit before interest and taxation	99.6	102.8
Interest receivable and similar income	1.7	1.9
Interest payable and similar charges	(26.5)	(24.1)
Net finance expense relating to pensions and other post-retirement benefits	(0.1)	(1.0)
Profit before taxation	74.7	79.6
Tax on profit	(12.3)	(13.5)
Profit for the financial period	62.4	66.1

Interim condensed statement of comprehensive income

For the six months ended 30 September

	2019	2018
	Unaudited	
	£m	£m
Profit for the period	62.4	66.1
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	62.3	66.0

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 statement of changes in equity

For the six months ended 30 September 2018

	Share capital £m	Share premium £m	Capital contribution £m	Hedging reserve £m	Retained earnings £m	Total equity £m
At 1 April 2018	438.2	4.1	6.2	1.9	444.6	895.0
Profit for the period	-	-	-	-	66.1	66.1
Other comprehensive loss	-	-	-	(0.1)	-	(0.1)
Total comprehensive income for the period	-	-	-	(0.1)	66.1	66.0
At 30 September 2018	438.2	4.1	6.2	1.8	510.7	961.0

Interim condensed balance sheet

As at

		30 September 2019	31 March 2019
		Unaudited	
	Note	£m	£m
Non-current assets			
Tangible fixed assets	3	2,814.7	2,737.1
Intangible assets		20.0	17.7
Investments		43.1	40.6
Trade and other receivables		0.7	1.8
		2,878.5	2,797.2
Current assets			
Stocks		7.6	8.8
Trade and other receivables		122.5	86.3
Cash at bank and in hand		17.8	62.2
		147.9	157.3
Creditors			
Amounts falling due within one year		(257.6)	(223.1)
		(109.7)	(65.8)
Net current liabilities			
		(109.7)	(65.8)
Total assets less current liabilities			
		2,768.8	2,731.4
Creditors			
Amounts falling due after more than one year		(1,553.2)	(1,536.2)
Provisions for liabilities			
Deferred tax		(136.8)	(129.0)
Other		(9.2)	(8.9)
Pension liability			
		(7.2)	(32.2)
Net assets			
		1,062.4	1,025.1
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		1.6	1.7
Profit and loss account		612.3	574.9
Equity shareholder's funds			
		1,062.4	1,025.1

The financial statements on pages 1 to 6 were approved and authorised for issue by the Board of Directors on 19 December 2019 and were signed on its behalf by:

IR Williams
Finance Director

Interim condensed cash flow statement

For the six months ended 30 September

	2019	2018
	Unaudited	
	£m	£m
Operating activities		
Profit for the period	62.4	66.1
Adjustments to reconcile profit for the period to net cash flow from operating activities:		
Tax expense	12.3	13.5
Interest payable	26.6	25.1
Interest receivable	(1.7)	(1.9)
Depreciation of tangible fixed assets	25.0	23.6
Amortisation of customer contributions	(4.7)	(4.5)
Amortisation of intangible assets	1.5	1.1
Gain on disposal of tangible fixed assets	(0.1)	(0.4)
Difference between pension contributions paid and amounts recognised in the profit and loss account	(25.1)	(24.7)
Increase in provisions	0.3	0.1
Foreign exchange gain on fixed asset investment	(2.5)	(2.9)
Working capital adjustments:		
Decrease in inventories	1.2	0.6
(Increase)/decrease in trade and other receivables	(6.0)	30.2
Decrease in trade and other payables	(3.2)	(5.6)
Interest paid	(8.6)	(4.4)
Interest received	1.7	1.9
Income taxes paid	(12.1)	(11.9)
Net cash from operating activities	67.0	105.9
Investing activities		
Purchase of tangible fixed assets	(106.7)	(102.7)
Customers' contributions received	16.3	13.2
Proceeds from sale of tangible fixed assets	0.1	0.6
Transfer to Group undertaking	(0.2)	-
Purchase of intangible assets	(3.8)	(0.5)
Net cash used in investing activities	(94.3)	(89.4)
Financing activities		
Net increase in short-term borrowings	66.5	-
Movement in balances with Group undertakings	(66.1)	(56.8)
Dividends paid	(25.0)	-
Net cash used in financing activities	(24.6)	(56.8)
Net decrease in cash at bank and in hand	(51.9)	(40.3)
Cash at bank and in hand at beginning of period	62.2	68.3
Cash at bank and in hand at end of period	10.3	28.0

Notes to the interim condensed financial statements

For the six months ended 30 September 2019

1. General information

The interim condensed financial statements of Western Power Distribution (South West) plc ("the Company") for the six months ended 30 September 2019 were authorised for issue by the Board of Directors on 19 December 2019. 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 2019.

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 2019	10.8	3,625.6	57.5	36.2	3,730.1
Additions	-	105.7	1.7	0.9	108.3
Transfer	0.2	-	-	-	0.2
Disposals and retirements	-	-	(0.8)	(0.8)	(1.6)
At 30 September 2019	11.0	3,731.3	58.4	36.3	3,837.0
Depreciation					
At 1 April 2019	1.6	944.7	29.6	17.1	993.0
Charge for the period	0.1	24.0	5.1	1.6	30.8
Disposals and retirements	-	-	(0.8)	(0.7)	(1.5)
At 30 September 2019	1.7	968.7	33.9	18.0	1,022.3
Net book value					
At 30 September 2019	9.3	2,762.6	24.5	18.3	2,814.7
At 1 April 2019	9.2	2,680.9	27.9	19.1	2,737.1