

WESTERN POWER DISTRIBUTION (SOUTH WALES) plc

INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

Contents

	Page
Interim condensed profit and loss account	1
Interim condensed statement of comprehensive income	2
Interim condensed statement of changes in equity	3
Interim condensed balance sheet	4
Interim condensed cash flow statement	5
Notes to the interim condensed financial statements	6

Interim condensed profit and loss account

For the six months ended 30 September

	2019	2018
	Unaudited	
	£m	£m
Turnover	124.8	122.1
Operating expenses	(54.8)	(53.0)
Operating profit	70.0	69.1
Loss on disposal of fixed assets	(0.1)	-
Profit before interest and taxation	69.9	69.1
Interest payable and similar charges	(20.0)	(18.5)
Net finance expense relating to pensions and other post-retirement benefits	-	(0.6)
Profit before tax	49.9	50.0
Tax on profit	(8.6)	(8.7)
Profit for the financial period	41.3	41.3

Interim condensed statement of comprehensive income

For the six months ended 30 September

	2019	2018
	Unaudited	
	£m	£m
Profit for the period	41.3	41.3
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)	(0.4)	(0.2)
Income tax effect	0.1	-
Other comprehensive loss for the period, net of tax	(0.3)	(0.2)
Total comprehensive income for the period, net of tax attributable to equity holder of the parent	41.0	41.1

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	291.7	23.2	5.1	4.8	423.1	747.9
Profit for the period	-	-	-	-	41.3	41.3
Other comprehensive loss	-	-	-	(0.3)	-	(0.3)
Total comprehensive (loss)/income for the period	-	-	-	(0.3)	41.3	41.0
Equity dividends paid	-	-	-	-	(9.3)	(9.3)
At 30 September 2019	291.7	23.2	5.1	4.5	455.1	779.6

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	291.7	23.2	5.1	5.3	342.5	667.8
Profit for the period	-	-	-	-	41.3	41.3
Other comprehensive loss	-	-	-	(0.2)	-	(0.2)
Total comprehensive (loss)/income for the period	-	-	-	(0.2)	41.3	41.1
At 30 September 2018	291.7	23.2	5.1	5.1	383.8	708.9

Interim condensed balance sheet

As at

		30 September 2019	31 March 2019
		Unaudited	
	Note	£m	£m
Non-current assets			
Tangible fixed assets	3	1,965.5	1,922.2
Intangible assets		3.6	3.8
Trade and other receivables		0.1	0.1
		1,969.2	1,926.1
Current assets			
Stocks		2.3	0.4
Trade and other receivables			
Amounts falling due within one year		40.9	52.8
Cash at bank and in hand		15.4	4.6
		58.6	57.8
Creditors			
Amounts falling due within one year		(82.1)	(71.1)
		(23.5)	(13.3)
Total assets less current liabilities			
		1,945.7	1,912.8
Creditors			
Amounts falling due after more than one year		(1,036.9)	(1,027.1)
Provisions for liabilities			
Deferred tax		(119.2)	(113.0)
Reimbursement agreement re WPUPS		(98.8)	(97.9)
Other		(8.0)	(7.9)
Pension			
Asset		101.5	81.0
Liability		(4.7)	-
		779.6	747.9
Capital and reserves			
Called-up share capital		291.7	291.7
Share premium account		23.2	23.2
Capital redemption reserve		5.1	5.1
Hedging reserve		4.5	4.8
Profit and loss account		455.1	423.1
		779.6	747.9
Equity shareholder's funds			
		779.6	747.9

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	41.3	41.3
Adjustments to reconcile profit for the period to net cash flow from operating activities:		
Tax expense	8.6	8.7
Finance costs	20.0	19.1
Depreciation of tangible fixed assets	18.4	17.2
Amortisation of customer contributions	(3.3)	(2.4)
Amortisation of intangible assets	0.3	0.2
Difference between pension contributions paid and amounts recognised in the profit and loss account	(14.8)	(15.7)
Increase in provisions	0.1	0.1
Working capital adjustments:		
Increase in inventories	(1.9)	(0.1)
Decrease in trade and other receivables	4.1	3.9
(Decrease)/increase in trade and other payables	(5.6)	1.1
Interest paid	(0.8)	0.2
Income taxes paid	(6.6)	(5.9)
Net cash from operating activities	59.8	67.7
Investing activities		
Purchase of tangible fixed assets	(62.4)	(72.2)
Customers' contributions received	11.6	8.9
Proceeds from sale of tangible fixed assets	0.2	0.1
Purchase of intangible assets	(0.1)	(1.7)
Net cash used in investing activities	(50.7)	(64.9)
Financing activities		
Movement in balances with Group undertakings	11.0	(35.3)
Dividends paid	(9.3)	-
Net cash from/(used in) financing activities	1.7	(35.3)
Net increase/(decrease) in cash at bank and in hand	10.8	(32.5)
Cash at bank and in hand at beginning of period	4.6	33.2
Cash at bank and in hand at end of period	15.4	0.7

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 Wales) 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

	Leasehold improvements £m	Distribution network £m	Fixtures & equipment £m	Vehicles & mobile plant £m	Total £m
Cost					
At 1 April 2019	4.1	2,621.6	40.9	20.5	2,687.1
Additions	0.5	61.0	2.8	0.5	64.8
Disposals and retirements	-	-	(1.6)	(1.2)	(2.8)
At 30 September 2019	4.6	2,682.6	42.1	19.8	2,749.1
Depreciation					
At 1 April 2019	0.1	737.5	19.0	8.3	764.9
Charge for the period	0.1	17.4	2.6	1.1	21.2
Disposals and retirements	-	-	(1.6)	(0.9)	(2.5)
At 30 September 2019	0.2	754.9	20.0	8.5	783.6
Net book value					
At 30 September 2019	4.4	1,927.7	22.1	11.3	1,965.5
At 1 April 2019	4.0	1,884.1	21.9	12.2	1,922.2