

Interim Consolidated Accounts (un-audited) for Greensands Junior Finance Ltd

For the six months ended 30 September 2018

Important notice

This report should not be relied on as a guide to future performance, and should not be relied on in deciding whether to undertake investment in the company. It should be noted that the information in this report has not been reviewed by the company's auditors.

Format and basis of consolidation

The abridged accounts contained within this report represent the consolidation of Greensands Junior Finance Ltd and its subsidiaries and are not presented in full Companies Act format.

FRS 101 / FRS 104

This interim financial information presents non-statutory information on the group. The full presentational requirements of FRS 101 or FRS 104 (Interim Financial Reporting) have not been applied and therefore the information is not fully compliant with FRS 101 or FRS 104.

Please note that these Interim Accounts have not been reviewed by the company's auditors

Interim Accounts

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Please note that these Interim Accounts have not been reviewed by the company's auditors

Greensands Junior Finance Limited

Consolidated income statement
For the six months to 30 September 2018

	Period to 30 Sep 2018 Unaudited	Period to 30 Sep 2017 Unaudited Restated*
	£m	£m
Continuing operations		
Revenue	440.1	418.7
Other operating income	0.5	0.5
Operating costs:		
- before depreciation and amortisation	(172.4)	(161.7)
- depreciation and amortisation	(132.3)	(127.3)
Total operating costs	(304.7)	(289.0)
Operating profit before interest and taxation	135.9	130.2
Other income	0.1	15.0
Profit on disposal of fixed assets	0.2	0.6
Net finance costs	(167.3)	(163.3)
Fair value gains on derivative financial instruments	17.6	44.5
Net finance costs (including gains on derivative financial instruments)	(149.7)	(118.8)
(Loss)/profit before taxation	(13.5)	27.0
Tax charge	(9.3)	(17.7)
(Loss)/profit after taxation from continuing operations	(22.8)	9.2

*The prior year has been restated for the transition to IFRS 15 'Revenue from contracts with customers'. The restatements relate to the group's main operating company, Southern Water Services Ltd (SWS). Further details are contained within SWS' interim financial statements, which can be found on their website www.southernwater.co.uk.

Greensands Junior Finance Limited

Consolidated statement of other comprehensive income
For the six months to 30 September 2018

	Period to 30 Sep 2018 Unaudited	Period to 30 Sep 2017 Unaudited Restated*
	£m	£m
(Loss)/profit for the period	(22.8)	9.2
Items that cannot be reclassified to profit or loss		
Actuarial gain on retirement benefit obligation	9.9	14.4
Deferred tax asset movement relating to retirement benefit obligation	(1.7)	(1.9)
	<u>8.2</u>	<u>12.5</u>
Total comprehensive (loss)/income for the period	<u><u>(14.6)</u></u>	<u><u>21.7</u></u>

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Greensands Junior Finance Limited

	As at 30 Sep 2018 Unaudited	As at 31 Mar 2018 Unaudited Restated*
	£m	£m
Consolidated statement of financial position		
As at 30 September 2018		
Non-current assets		
Goodwill	85.1	85.1
Intangibles	57.8	61.1
Property, plant and equipment	6,125.6	6,049.8
Other non-current assets	78.3	78.3
Investments	0.1	0.1
Derivative financial instruments	8.1	4.2
	<u>6,355.0</u>	<u>6,278.6</u>
Current assets		
Inventories	3.1	2.9
Trade and other receivables	397.1	385.3
Cash and cash equivalents	199.1	286.7
	<u>599.3</u>	<u>674.9</u>
Total assets	<u><u>6,954.3</u></u>	<u><u>6,953.5</u></u>
Current liabilities		
Trade and other payables	(311.5)	(370.4)
Borrowings	(301.8)	(299.5)
	<u>(613.3)</u>	<u>(669.9)</u>
Non-current liabilities		
Borrowings	(6,076.2)	(5,995.0)
Derivative financial instruments	(1,278.5)	(1,292.2)
Deferred tax	(3.0)	8.0
Retirement benefit obligations	(165.2)	(171.7)
Provisions for liabilities	(3.3)	(3.4)
Other non-current liabilities	(26.6)	(26.5)
	<u>(7,552.8)</u>	<u>(7,480.8)</u>
Total liabilities	<u><u>(8,166.1)</u></u>	<u><u>(8,150.7)</u></u>
Total net liabilities	<u><u>(1,211.8)</u></u>	<u><u>(1,197.2)</u></u>
Equity		
Called up share capital	1.0	1.0
Non-distributable reserve	52.3	46.7
Retained earnings	(1,265.1)	(1,244.9)
Shareholder's deficit	<u><u>(1,211.8)</u></u>	<u><u>(1,197.2)</u></u>

*The prior year has been restated for the transition to IFRS 15 'Revenue from contracts with customers'. The restatements relate to the group's main operating company, Southern Water Services Ltd (SWS). Further details are contained within SWS' interim financial statements, which can be found on their website www.southernwater.co.uk.

Greensands Junior Finance Limited

Summarised statement of changes in equity

For the six months ended 30 September 2018

	Called up share capital	Non- distributable reserve	Retained earnings	Total
		Restated*	Restated*	Restated*
	£m	£m	£m	£m
Balance at 1 April 2018	1.0	46.7	(1,244.9)	(1,197.2)
Profit/(loss) for the period	-	6.3	(29.1)	(22.8)
Other comprehensive income for the period	-	-	8.2	8.2
Total comprehensive profit/(loss) for the period	-	6.3	(20.9)	(14.6)
Reserves transfer	-	(0.7)	0.7	-
Balance at 30 September 2018	1.0	52.3	(1,265.1)	(1,211.8)

Summarised statement of changes in equity

For the six months ended 30 September 2017

	Called up share capital	Non- distributable reserve	Retained earnings	Total
		Restated*	Restated*	Restated*
	£m	£m	£m	£m
Balance at 1 April 2017	1.0	24.1	(1,231.3)	(1,206.2)
Profit for the period	-	4.8	4.4	9.2
Other comprehensive income for the period	-	-	12.5	12.5
Total comprehensive income for the period	-	4.8	16.9	21.7
Reserves transfer	-	(1.1)	1.1	-
Balance at 30 September 2017	1.0	27.8	(1,213.3)	(1,184.5)

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Greensands Junior Finance Limited

Consolidated statement of cash flows
For the six months to 30 September 2018

	Note	Period to 30 Sep 2018 Unaudited £m	Period to 30 Sep 2017 Unaudited Restated* £m
Cash generated from operations	1	242.5	224.8
Investing activities			
Purchase of property, plant and equipment		(174.8)	(184.9)
Purchase of Intangibles		(15.2)	(7.1)
Receipt of grants and contributions		0.8	1.3
Sale of property, plant and equipment		-	0.6
Movement on loan to subsidiary		(15.3)	(15.2)
Other income		2.5	12.5
Net cash used in investing activities		(202.0)	(192.8)
Financing activities			
Interest received		0.5	0.6
Interest paid		(128.3)	(64.3)
Finance lease payments		(0.3)	0.2
Net cash used in financing activities		(128.1)	(63.5)
Net decrease in cash and cash equivalents		(87.6)	(31.5)
Cash and cash equivalents at the beginning of the period		286.7	301.8
Cash and cash equivalents at end of the period	2	199.1	270.3

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Greensands Junior Finance Limited

Notes to the interim financial information

1 Reconciliation of operating profit to cash flow
For the six months to 30 September 2018

	Period to 30 Sep 2018 Unaudited	Period to 30 Sep 2017 Unaudited Restated*
	£m	£m
Operating profit on ordinary activities before interest and taxation	135.9	130.2
Depreciation of property, plant and equipment	123.2	125.7
Amortisation of Intangibles	9.1	1.6
Amortisation of grants and contributions	(0.5)	(0.5)
Difference between pension charge and cash contributions	1.1	0.7
Fair value of sewer adoptions	(6.3)	(4.8)
Operating cash flows before movements in working capital	<u>262.5</u>	<u>252.8</u>
(Increase)/decrease in Inventory	(0.2)	0.2
Increase in receivables	(19.4)	(26.3)
Decrease in payables	(0.3)	(2.0)
Decrease in environmental provisions	(0.1)	-
Total net cash inflow from operating activities	<u>242.5</u>	<u>224.8</u>

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2 Analysis of Consolidated Net Debt

For the six months to 30 September 2018

	At 1 April 2018	Cash flows	Other non-cash	Derivatives non-cash	At 30 Sep 2018
	£m	£m	£m	£m	£m
Cash	286.7	(87.6)	-	-	199.1
Borrowings:					
Current	(299.5)	-	(2.4)	-	(301.8)
Non-current	(5,995.0)	0.3	(81.4)	-	(6,076.2)
Financial derivatives:					
Net	(1,288.0)	-	-	17.6	(1,270.4)
Net Debt	<u>(7,295.8)</u>	<u>(87.3)</u>	<u>(83.8)</u>	<u>17.6</u>	<u>(7,449.3)</u>

For the six months to 30 September 2017

	At 1 April 2017	Cash flows	Other non-cash	Derivatives non-cash	At 30 Sep 2017
	£m	£m	£m	£m	£m
Cash	301.8	(31.5)	-	-	270.3
Borrowings:					
Current	0.6	-	-	-	0.6
Non-current	(6,187.8)	53.9	(76.9)	-	(6,210.8)
Financial derivatives:					
Net	(1,338.0)	-	-	44.5	(1,293.5)
Net Debt	<u>(7,223.4)</u>	<u>22.4</u>	<u>(76.9)</u>	<u>44.5</u>	<u>(7,233.4)</u>