

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

For the six months ended 30 September 2020

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 Senior 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 Senior Finance Limited

Consolidated income statement
For the six months to 30 September 2020

	Period to 30 Sep 2020 Unaudited	Period to 30 Sep 2019 Unaudited
	£m	£m
Continuing operations		
Income	379.6	439.9
Amortisation of provision for regulatory settlement payments	17.8	-
Other operating income	1.5	1.4
Operating costs:		
- before trade receivables impairment charge, depreciation and amortisation	(180.0)	(189.9)
- trade receivables impairment charge	(17.5)	(7.0)
- depreciation and amortisation	(143.8)	(135.1)
Total operating costs	<u>(341.3)</u>	<u>(332.0)</u>
Operating profit before interest and taxation	57.6	109.3
Other income	-	0.1
Profit on disposal of fixed assets	0.3	0.4
Net finance costs	(154.9)	(182.8)
Fair value losses on derivative financial instruments	(205.4)	(123.9)
Net finance costs (including losses on derivative financial instruments)	<u>(360.3)</u>	<u>(306.7)</u>
Loss before taxation	(302.4)	(196.9)
Tax credit	37.5	17.2
Loss after taxation from continuing operations	<u>(264.9)</u>	<u>(179.7)</u>

Greensands Senior Finance Limited

Consolidated statement of other comprehensive income
For the six months to 30 September 2020

	Period to 30 Sep 2020 Unaudited	Period to 30 Sep 2019 Unaudited
	£m	£m
Loss for the period	(264.9)	(179.7)
Items that cannot be reclassified to profit or loss		
Actuarial loss on retirement benefit obligation	(132.4)	(2.4)
Deferred tax asset movement relating to retirement benefit obligation	25.2	0.4
	<u>(107.2)</u>	<u>(2.0)</u>
Total comprehensive loss for the period	<u>(372.1)</u>	<u>(181.7)</u>

Greensands Senior Finance Limited

Consolidated statement of financial position
As at 30 September 2020

	As at 30 Sep 2020 Unaudited	As at 31 Mar 2020 Audited
	£m	£m
Non-current assets		
Goodwill	85.1	85.1
Intangible assets	38.0	42.1
Property, plant and equipment	6,538.1	6,495.4
Other non-current assets	43.1	43.1
Investments	0.1	0.1
Derivative financial instruments	188.8	203.0
	<u>6,893.2</u>	<u>6,868.8</u>
Current assets		
Inventories	5.6	5.1
Trade and other receivables	471.9	458.9
Cash and cash equivalents	576.7	281.7
	<u>1,054.2</u>	<u>745.7</u>
Total assets	<u>7,947.4</u>	<u>7,614.5</u>
Current liabilities		
Trade and other payables	(299.0)	(322.5)
Borrowings	(451.2)	(781.2)
Lease Liabilities	(2.4)	(2.2)
Regulatory settlement liability	(29.9)	(29.9)
Provisions for liabilities	(4.3)	(4.3)
	<u>(786.8)</u>	<u>(1,140.1)</u>
Non-current liabilities		
Borrowings	(7,147.8)	(6,224.8)
Lease Liabilities	(28.2)	(28.2)
Derivative financial instruments	(1,471.1)	(1,376.4)
Deferred tax	(21.2)	(83.0)
Retirement benefit obligations	(178.0)	(62.5)
Regulatory settlement liability	(87.8)	(99.9)
Provisions for liabilities	(4.1)	(4.6)
Other non-current liabilities	(32.3)	(32.7)
	<u>(8,970.5)</u>	<u>(7,912.2)</u>
Total liabilities	<u>(9,757.3)</u>	<u>(9,052.3)</u>
Total net liabilities	<u>(1,809.9)</u>	<u>(1,437.8)</u>
Equity		
Called up share capital	1.0	1.0
Non-distributable reserve	59.4	60.2
Retained losses	(1,870.3)	(1,499.0)
Shareholders' deficit	<u>(1,809.9)</u>	<u>(1,437.8)</u>

Greensands Senior Finance Limited

Summarised statement of changes in equity

For the six months ended 30 September 2020

	Called up share capital	Non-distributable reserve	Retained losses	Total
	£m	£m	£m	£m
Balance at 1 April 2020	1.0	60.2	(1,499.0)	(1,437.8)
Loss for the period	-	-	(264.9)	(264.9)
Other comprehensive loss for the period	-	-	(107.2)	(107.2)
Total comprehensive Loss for the period	-	-	(372.1)	(372.1)
Reserves transfer	-	(0.8)	0.8	-
Balance at 30 September 2020	1.0	59.4	(1,870.3)	(1,809.9)

Summarised statement of changes in equity
For the six months ended 30 September 2019

	Called up share capital	Non-distributable reserve	Retained losses	Total
	£m	Restated £m	Restated £m	Restated £m
Balance at 1 April 2019	1.0	53.8	(1,735.3)	(1,680.5)
Profit/(loss)for the period	-	0.7	(173.4)	(172.7)
Other comprehensive income for the period	-	-	(2.0)	(2.0)
Total comprehensive profit/(loss) for the period	-	0.7	(175.4)	(174.7)
Reserves transfer	-	(0.7)	0.7	-
Balance at 30 September 2019	1.0	53.8	(1,909.9)	(1,855.2)

Greensands Senior Finance Limited

Consolidated statement of cash flows
For the six months to 30 September 2020

	Note	Period to 30 Sep 2020 Unaudited	Period to 30 Sep 2019 Unaudited
		£m	£m
Cash generated from operations	1	149.3	180.8
Investing activities			
Interest received		14.6	6.9
Purchase of property, plant and equipment		(184.4)	(255.4)
Purchase of Intangibles assets		(3.9)	(9.0)
Receipt of grants and contributions*		-	2.7
Proceeds on disposal of property, plant and equipment		0.1	0.2
Net cash used in investing activities		(173.6)	(254.6)
Financing activities			
Interest paid		(55.3)	(156.4)
Interest paid to subsidiary		(3.3)	-
Repayment of borrowings		(338.0)	(304.8)
Proceeds of new loans		812.9	100.0
Swap accretion payments		(96.5)	-
Finance lease payments		(0.5)	(0.7)
Net cash from/(used) in financing activities		319.3	(361.9)
Net increase/(decrease) in cash and cash equivalents		295.0	(435.7)
Cash and cash equivalents at the beginning of the period		281.7	514.1
Cash and cash equivalents at end of the period	2	576.7	78.4

*Grants and contributions received of £1.2 million have been presented as operating cash flows in the period to 30 September 2020 as these credits are released to operating costs over the useful economic life of the non-current asset to which they relate. These were presented as investing cash flows in the period to 30 September 19.

Greensands Senior Finance Limited

Notes to the interim financial information

1 Cash generated from operations
For the six months to 30 September 2020

	Period to 30 Sep 2020 Unaudited	Period to 30 Sep 2019 Unaudited
	£m	£m
Operating profit before interest and taxation	57.6	116.3
Depreciation of property, plant and equipment	138.6	125.6
Amortisation of Intangible assets	5.2	9.5
Amortisation of grants and contributions	(1.4)	(1.4)
Receipt of grants and contributions*	1.2	-
Difference between pension charge and cash contributions	(17.5)	(16.5)
Fair value of sewer adoptions	-	(0.7)
Operating cash flows before movements in working capital	<u>183.7</u>	<u>232.8</u>
Increase in Inventory	(0.5)	(0.5)
Decrease/(increase) in receivables	5.7	(26.6)
Decrease in payables	(20.5)	(24.9)
Decrease in provision for OFWAT fine	(17.8)	-
Decrease in environmental provisions	(1.3)	-
Total net cash inflow from operating activities	<u>149.3</u>	<u>180.8</u>

*Grants and contributions received of £1.2 million have been presented as operating cash flows in the period to 30 September 2020 as these credits are released to operating costs over the useful economic life of the non-current asset to which they relate. These were presented as investing cash flows in the period to 30 September 19.

2 Analysis of Consolidated Net Debt

For the six months to 30 September 2020

	At 1 April 2020	Cash flows	Other non-cash	Derivatives non-cash	At 30 Sep 2020
	£m	£m	£m	£m	£m
Cash	281.7	295.0	-	-	576.7
Borrowings:					
Current	(781.2)	330.0	-	-	(451.2)
Non-current	(6,224.8)	(804.8)	(118.2)	-	(7,147.8)
Finance leases:					
Current and non-current	(30.4)	0.5	(0.7)	-	(30.6)
Financial derivatives:					
Net	(1,173.4)	96.5	-	(205.4)	(1,282.3)
Net Debt	<u>(7,928.1)</u>	<u>(82.8)</u>	<u>(118.9)</u>	<u>(205.4)</u>	<u>(8,335.2)</u>

For the six months to 30 September 2019

	At 1 April 2019	Cash flows	Other non-cash	Derivatives non-cash	At 30 Sep 2019
	£m	£m	£m	£m	£m
Cash	514.1	(435.7)	-	-	78.4
Borrowings:					
External	(4,390.5)	0.3	126.2	-	
Group undertakings	(2,521.3)	-	(67.3)	-	
Current	(499.9)	200.7	(2.8)	-	(302.0)
Non-current	(6,411.9)	4.9	(121.5)	-	(6,528.5)
Financial derivatives:					
Net	(1,382.8)	-	-	(123.9)	(1,506.7)
Net Debt	<u>(7,780.5)</u>	<u>(230.1)</u>	<u>(124.3)</u>	<u>(123.9)</u>	<u>(8,258.8)</u>