

WESTERN POWER DISTRIBUTION (WEST MIDLANDS) plc**INTERIM ACCOUNTS**

For the six months ended 30 September 2012

(Prepared in accordance with UK Generally Accepted Accounting Practice)

The interim accounts, which are unaudited, have been prepared under the historic cost convention, using the same accounting policies adopted for the year ended 31 March 2012. These interim accounts should be read in conjunction with the full accounts for the year ended 31 March 2012, which have been filed with the Registrar of Companies and on which the auditors have an unqualified report.

Registered number 3600574



Contents

	Page
Profit and loss account	1
Balance sheet	2
Statement of cash flows	3

Profit and loss account

For the six months ended 30 September 2012

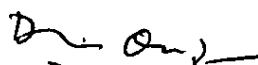
	Six months to 30 September 2012 £m	Six months to 30 September 2011 Before special items £m	Special items £m	Total £m
Turnover - continuing operations	200.8	177.4	-	177.4
Cost of sales	(9.8)	(16.3)	-	(16.3)
Gross profit	191.0	161.1	-	161.1
Operating expenses	(68.4)	(71.2)	(137.1)	(208.2)
Operating profit/(loss)	122.6	89.9	(137.1)	(47.2)
Interest expense (net)	(30.8)	(26.5)	(5.1)	(31.6)
Profit/(loss) on ordinary activities before taxation	91.8	63.4	(142.2)	(78.8)
Tax on profit/(loss) on ordinary activities	(21.7)	(26.5)	38.0	11.5
Profit/(loss) for the financial period	70.1	36.9	(104.2)	(67.3)

Special items comprise one-off reorganisation and maintenance charges associated with the acquisition of the company by Western Power Distribution on 1 April 2011

Balance sheet
30 September 2012

	30 September 2012 £m	30 September 2011 £m
Fixed assets		
Tangible assets	1,998.6	1,843.7
	1,998.6	1,843.7
Current assets		
Stocks - raw materials and consumables	2.8	-
Debtors	203.7	341.3
Short-term deposits	30.0	175.4
Cash at bank	1.0	-
	237.5	516.7
Creditors		
Amounts falling due within one year	(131.8)	(417.7)
Net current assets	105.7	99.0
Total assets less current liabilities	2,104.3	1,942.7
Creditors		
Amounts falling due after more than one year	(1,033.3)	(1,031.9)
Derivative financial instruments	(3.2)	-
Provisions for liabilities and charges	(144.6)	(81.9)
Net assets	923.2	828.9
Capital and reserves		
Called-up share capital	100.1	100.1
Share premium account	713.6	713.6
Hedging reserve	(6.6)	(4.3)
Profit and loss account	116.1	19.5
Equity shareholders' funds	923.2	828.9

These financial statements were approved by the board of directors on 26 November 2012 and signed on its behalf by



DCS Oosthuizen
Finance Director

Consolidated cash flow statement

For the six months ended 30 September 2012

	30 September 2012		30 September 2011	
	£m	£m	£m	£m
Net cash inflow from operating activities		68.2		53.0
Returns on investments and servicing of finance				
Interest received	0.2		0.7	
Interest paid	(57.7)		(13.8)	
Issue costs of new long term loans	-		(14.8)	
Net cash outflow from returns on investments and servicing of finance		(57.5)		(27.9)
Tax/group relief paid		-		(12.4)
Capital expenditure and financial investment				
Purchase of tangible fixed assets	(113.3)		(103.0)	
Consumers' contribution received	16.2		13.3	
Sale of tangible fixed assets	0.1		-	
Net cash outflow from capital expenditure and financial investment		(97.0)		(89.7)
Equity dividends paid		(12.0)		(530.0)
Cash outflow before use of liquid resources and financing		(98.3)		(607.0)
Management of liquid resources				
Movement in short term deposits	40.0		(175.4)	
Net cash inflow/(outflow) from management of liquid resources		40.0		(175.4)
Financing				
New long term loans	-		800.0	
Cost of terminating forward starting interest rate swaps	-		(10.9)	
Net movement in intercompany accounts	49.4		(11.1)	
Movement in short term debt	(0.1)		4.4	
Net cash inflow from financing		49.3		782.4
Decrease in cash in the period		(9.0)		0.0