



## Announcement of unaudited interim results for the six months ended 30 September 2021

Bristol Water plc (the “Company”) announces its interim unaudited financial statements for the six months ending 30 September 2021.

The Company’s interim financial results are set out below and can also be accessed via the Company’s website.

For further information contact:

Mel Karam, Chief Executive Officer  
Laura Flowerdew, Chief Financial Officer  
Bristol Water plc  
Tel 0117 953 6470

Or contact: Bristol Water Corporate Affairs on 0117 953 6470 during office hours or 0800 917 8066 at any time.



## FINANCIAL HIGHLIGHTS

	Six months to 30 September 2021 (unaudited) £m	Six months to 30 September 2020 (unaudited) £m
Turnover	62.2	59.6
EBITDA	30.6	23.9
Profit before taxation	10.6	4.3
Profit after taxation	(12.6)	3.3
Net debt (excluding 8.75% irredeemable cumulative preference shares)	378.3	377.4
Capital investment in the period	17.6	19.1

## Summary

- Bristol Water Chairman, Keith Ludeman, states 'It has been a real pleasure to chair Bristol Water during a period that has seen the business flourish, with robust operational performance and excellent financial discipline.'
- Strong financial performance with EBITDA improvement of 28.0% to £30.6m, as a result of higher revenues and lower operating costs.
- Revenues increased as a result of higher regulatory allowances coupled with recovery in the non-household market post COVID-19 lockdowns.
- Underlying operating costs decreased by 7.5%, reflecting the successful delivery of the Company's transformation programme, despite significant upward inflationary pressures on power, chemicals and supply chain.
- £17.6m investment in the capital programme focussing on improving and renewing the company's asset base.
- Profit before taxation improved by £6.3m to £10.6m. However, the adjustment to the deferred tax charge of £21.0m, resultant from the future increase in the corporation tax rate to 25%, has led to a loss after tax of £12.6m.
- The increase in net debt principally consists of drawdowns from committed facilities of £2.0m and indexation applied to index linked debt of £3.2m offset by an increase in cash of £3.7m. Available undrawn committed facilities amount to £42.0m.



### CHAIRMAN'S STATEMENT

It has been a real pleasure to chair Bristol Water during a period that has seen the business flourish, with robust operational performance and excellent financial discipline. The past 18 months have not been easy, but it is rewarding to see our business move forward. The period has seen the benefits from delivering our transformation programme as well as our staff working hard to overcome the challenges brought about by COVID-19.

Our financial performance in this period has been encouraging, with EBITDA increasing by 28% in the period, reflecting both lower operating costs and higher revenue. The reduction in operational expenditure reflects a step change in our cost base, benefitting from the many initiatives instigated as part of our transformation programme last year. These initiatives have put us in a good position to minimise the many inflationary cost pressures we are now experiencing, most notably in respect of chemical and power prices.

Operationally, the business has also performed strongly; we have met or exceeded our targets across a range of measures, including customer service, leakage and supply interruptions. As an industry, these are critical performance indicators, and I am delighted to see the focus on achieving our targets really paying off, to the benefit of our customers,

I am particularly proud of our performance on supply interruption, where our performance year on year has improved markedly and currently stands at 1.57 minutes lost per customer property. Our year end target of 6.13 customer minutes lost is hugely challenging, and it is a testament to efforts across the business to put our customers first that we have seen such a strong performance in this area in the year to date. This cross business focus was particularly apparent in July, when a 1200mm diameter main, supplying water to around 50,000 properties, burst, during a hot and dry summer period. A focus on diverting water via alternative routes around our network to maintain customers in water supply, whilst carefully balancing levels in different service reservoirs, resulted in only a small customer impact despite the scale and complexities the burst posed operationally.

Our leakage performance also continues to be industry leading, and we continue to strive to improve despite the efforts needed to make incremental gains at this level. Using analytics and data to help identify leaks, as well as focussing on productivity and speed in fixing them, the business continues to ensure that this critical measure is delivered and improved upon each year.

Finally, our C-Mex (customer experience measure) scores have put us in 4th place across the industry in the year to date. We are proud of this outcome, which we achieve in partnership with our joint venture billing company Pelican. Both operational and billing scores have seen marked improvements, and we continue to drive a focus on putting the customer first in everything we do.

It is fundamental to our performance that our employees go home safe at the end of each working day. Our performance in this area has been challenging, with our accident frequency rate higher than we targeted. We continue to focus on this area and to ensure the culture and actions we take, every day, encourage an open culture and a focus on continued improvement.



## BRISTOL WATER PLC

Finally, the acquisition of the Bristol Water group of companies by Pennon Group plc on 3 June 2021 has led to a review by the Competitions and Market Authority (CMA) to ensure interests of customers are protected. This brings a new period of uncertainty for our employees, albeit with the promise of fresh opportunities at the end. We look forward to the conclusion of this process and thank all of our employees for their patience whilst this review is undertaken.

Keith Ludeman  
Chairman  
29 November 2021



## BRISTOL WATER PLC

### INCOME STATEMENT

For the six months ended 30 September 2021

		Six months to 30 September 2021 (unaudited) £m	Six months to 30 September 2020 (unaudited) £m	Year to 31 March 2021 (audited) £m
<b>Revenue</b>	5	62.2	59.6	119.5
Operating costs	6	(44.2)	(46.2)	(91.4)
Impairment losses on trade receivables		(1.5)	(2.4)	(4.9)
Operating costs before exceptional items		(45.7)	(48.6)	(96.3)
Exceptional operating costs		(0.1)	(0.9)	(2.2)
Total net operating costs		(45.8)	(49.5)	(98.5)
<b>Operating profit</b>		16.4	10.1	21.0
Net interest payable and similar charges	7	(5.3)	(5.3)	(11.0)
Dividends on 8.75% irredeemable cumulative preference shares	7	(0.5)	(0.5)	(1.1)
Net interest payable and similar charges		(5.8)	(5.8)	(12.1)
<b>Profit on ordinary activities before taxation</b>		10.6	4.3	8.9
Taxation on profit on ordinary activities	8	(23.2)	(1.0)	(2.1)
<b>(Loss)/profit for the period/year</b>		(12.6)	3.3	6.8
<b>Earnings per ordinary share</b>	9	(210.0)p	55.0p	113.3p

All activities above relate to the continuing activities of the Company.

### STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2021

		Six months to 30 September 2021 (unaudited) £m	Six months to 30 September 2020 (unaudited) £m	Year to 31 March 2021 (audited) £m
<b>(Loss)/profit for the period/year</b>		(12.6)	3.3	6.8
<b>Other comprehensive expense:</b>				
<b>Items that will not be reclassified to profit and loss</b>				
Actuarial losses on retirement benefit surplus		(0.8)	(0.3)	(0.3)
Re-measurement of defined benefit pension scheme	8	0.3	0.2	0.3
<b>Other comprehensive expense for the period/year, net of tax</b>		(0.5)	(0.1)	-
<b>Total comprehensive (expense)/income for the period/year</b>		(13.1)	3.2	6.8



## BRISTOL WATER PLC

### STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

		30 September 2021 (unaudited) £m	30 September 2020 (unaudited) £m	31 March 2021 (audited) £m
	Note			
<b>Non-current assets</b>				
Property, plant and equipment	10	687.0	676.9	682.9
Intangible assets	11	12.8	14.4	13.3
Other investments – Loans to a UK holding Company		61.1	65.5	61.1
Deferred tax assets		7.8	5.9	5.9
Retirement benefit surplus	12	8.4	9.4	9.1
		<b>777.1</b>	<b>772.1</b>	<b>772.3</b>
<b>Current assets</b>				
Inventory		1.7	1.7	1.7
Trade and other receivables		33.0	32.5	29.6
Cash and cash equivalents		14.8	11.0	10.9
		<b>49.5</b>	<b>45.2</b>	<b>42.2</b>
		<b>826.6</b>	<b>817.3</b>	<b>814.5</b>
<b>Total assets</b>				
<b>Non-current liabilities</b>				
Lease liabilities	13	(1.3)	(1.7)	(1.5)
Deferred income tax liabilities		(95.2)	(72.1)	(72.3)
Borrowings and derivatives	14	(382.4)	(386.3)	(379.2)
8.75% irredeemable cumulative preference shares	14	(12.5)	(12.5)	(12.5)
Deferred income		(83.1)	(82.2)	(82.9)
Government Grants		(0.3)	(0.3)	(0.3)
		<b>(574.8)</b>	<b>(555.1)</b>	<b>(548.7)</b>
<b>Current liabilities</b>				
Lease liabilities	13	(0.4)	(0.4)	(0.4)
Current portion of borrowings and derivatives		(9.0)	-	(9.0)
Current portion of deferred income		(1.9)	(1.8)	(1.8)
Trade and other payables		(36.3)	(35.8)	(35.3)
Provisions for liabilities		-	(3.0)	(0.5)
		<b>(47.6)</b>	<b>(41.0)</b>	<b>(47.0)</b>
		<b>(622.4)</b>	<b>(596.1)</b>	<b>(595.7)</b>
<b>Total liabilities</b>				
		<b>204.2</b>	<b>221.2</b>	<b>218.8</b>
<b>Net assets</b>				
<b>Equity</b>				
Called-up share capital		6.0	6.0	6.0
Share premium account		4.4	4.4	4.4
Other reserves		5.8	5.8	5.8
Retained earnings		188.0	205.0	202.6
		<b>204.2</b>	<b>221.2</b>	<b>218.8</b>
<b>Total Equity</b>				

The financial statements of Bristol Water plc, registered number 2662226 on pages 5-17, were approved by the Board of directors on 29 November 2021 and signed on its behalf by:

Mel Karam, Director, CEO

Laura Flowerdew, Director, CFO



## BRISTOL WATER PLC

### STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2021

	Called up share capital £m	Share premium account £m	Capital redemption reserve £m	Retained earnings £m	Total £m
Balance at 1 April 2020	6.0	4.4	5.8	201.8	218.0
Profit for the year	-	-	-	3.3	3.3
<b>Other comprehensive expense for the year:</b>					
Actuarial losses recognised in respect of retirement benefit obligations	-	-	-	(0.3)	(0.3)
Re-measurement of defined benefit scheme	-	-	-	0.2	0.2
<b>Total comprehensive expense for the year</b>	-	-	-	(0.1)	(0.1)
Ordinary dividends	-	-	-	-	-
<b>Balance as at 30 September 2020</b>	<b>6.0</b>	<b>4.4</b>	<b>5.8</b>	<b>205.0</b>	<b>221.2</b>
Balance at 1 April 2021	6.0	4.4	5.8	202.6	218.8
Loss for the period	-	-	-	(12.6)	(12.6)
<b>Other comprehensive expense for the period:</b>					
Actuarial losses recognised in respect of retirement benefit obligations	-	-	-	(0.8)	(0.8)
Re-measurement of defined benefit scheme	-	-	-	0.3	0.3
<b>Total comprehensive expense for the period</b>	-	-	-	(0.5)	(0.5)
Ordinary dividends	-	-	-	(1.5)	(1.5)
<b>Balance as at 30 September 2021</b>	<b>6.0</b>	<b>4.4</b>	<b>5.8</b>	<b>188.0</b>	<b>204.2</b>

The Board has not proposed interim dividends on the ordinary shares in respect of the period ended 30 September 2021 (6 months ended 30 September 2020: £nil).



## CASH FLOW STATEMENT

For the six months ended 30 September 2021

	Note	Six months to 30 September 2021 (unaudited) £m	Six months to 30 September 2020 (unaudited) £m	Year to 31 March 2021 (audited) £m
<b>Cashflows from operating activities</b>				
Profit before taxation		10.6	4.3	8.9
Adjustments for:				
Deferred income amortisation	5	(0.9)	(0.9)	(1.8)
Depreciation	6	12.3	11.9	24.0
Amortisation of intangibles	6	1.9	1.9	3.7
Difference between pension charges and contributions paid		0.4	0.4	1.0
Profit on disposal of assets		-	(0.1)	(0.1)
Interest income	7	(1.8)	(1.9)	(3.9)
Interest expense	7	7.7	7.9	16.4
Pension interest income	7	(0.1)	(0.2)	(0.4)
Increase in inventory		-	-	-
(Increase)/decrease in trade and other receivables		(4.0)	(0.5)	2.3
Increase /(decrease) in trade and other creditors and provisions		2.0	(1.1)	(3.0)
Cash generated from operations		28.1	21.7	47.1
Interest paid		(6.2)	(6.4)	(12.5)
Corporation taxes paid		(1.6)	(0.4)	(1.4)
Contributions received		1.2	1.3	2.9
<b>Net cash inflows from operating activities</b>		21.5	16.2	36.1
<b>Cash flows from investing activities</b>				
Purchase of property plant and equipment and intangibles		(19.2)	(22.1)	(41.9)
Proceeds from sale of fixed assets		-	0.1	0.3
Interest received		1.8	1.9	3.9
Repayment of intercompany loan receivable		-	-	4.4
<b>Net cash used in investing activities</b>		(17.4)	(20.1)	(33.3)
<b>Cash flows from financing activities</b>				
Proceeds from loans and borrowings		2.0	6.0	6.0
Payment of finance lease liabilities		(0.2)	(0.7)	(0.9)
Preference dividends paid		(0.5)	(0.5)	(1.1)
Equity dividends paid		(1.5)	-	(6.0)
<b>Net cash from financing activities</b>		(0.2)	4.8	(2.0)
<b>Net increase in cash and cash equivalents</b>		3.9	0.9	0.8
Cash and cash equivalents, beginning of period		10.9	10.1	10.1
<b>Cash and cash equivalents, end of period</b>		14.8	11.0	10.9





## NOTES TO THE INTERIM ACCOUNTS

For the six months ended 30 September 2021

### 1 General Information

Bristol Water plc (“the Company”) is a regulated Water only supply company holding an instrument of appointment as set out by the Water Industry Act 1991. The company is the licensed monopoly provider of water services in the Bristol area, and as such is regulated by the Water Services Regulation Authority – Ofwat.

The Company is a public liability company, limited by shares with irredeemable preference shares and debenture stock listed on the London Stock Exchange.

The address of its registered office is Bridgwater Road, Bristol, BS13 7AT, England.

### 2 Basis of preparation

The financial information contained in this interim announcement does not constitute statutory accounts within the meaning of section 435 of the Companies Act 2006. The interim accounts have been prepared in accordance with Financial Reporting Standard 104 “Interim Financial Reporting” issued by the Financial Reporting Council and the Disclosure Rules and Transparency Rules of the United Kingdom’s Financial Conduct Authority.

The Company has adopted FRS 101 “Reduced disclosure framework – Disclosure exemptions from EU-adopted IFRS for qualifying entities”.

### 3 Accounting policies

The same accounting policies and methods of computation used in preparing the annual financial statements as at 31 March 2021 have been used in preparing these interim accounts.

#### 3.1 Going concern

The Company meets its day-to-day working capital requirements through its cash reserves and borrowings. The Company’s forecasts and projections show that the Company will be able to operate within the level of its current cash reserves and borrowing facilities. After making enquiries, the Directors have an expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements. Further information on the Company’s borrowings is given in note 14.

### 4 Critical accounting estimates and judgments

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances

The significant judgements made by management in applying the Company’s accounting policies and the key sources of estimate uncertainty were the same as those applied to the financial statements for the year ended 31 March 2021.



## 5 Revenue

	Six months to 30 September 2021 (unaudited) £m	Six months to 30 September 2020 (unaudited) £m	Year to 31 March 2021 (audited) £m
<b>Appointed income</b>			
Household – measured	28.1	26.0	53.4
Household - unmeasured	20.8	21.0	41.7
Non-household- measured	10.3	10.1	19.2
Non-household – unmeasured	0.2	0.1	0.3
Contributions from developers	0.9	0.9	1.8
Third party services	0.8	0.7	1.4
Rental income	0.5	0.4	0.8
	<b>61.6</b>	<b>59.2</b>	<b>118.6</b>
<b>Non-appointed income</b>			
Recreations	0.3	0.3	0.5
Rental income	0.1	-	0.1
Other	0.2	0.1	0.3
	<b>0.6</b>	<b>0.4</b>	<b>0.9</b>
	<b>62.2</b>	<b>59.6</b>	<b>119.5</b>

## 6 Operating expenses

	Six months to 30 September 2021 (unaudited) £m	Six months to 30 September 2020 (unaudited) £m	Year to 31 March 2021 (audited) £m
<b>Operating expenses include -</b>			
Payroll cost, net of recharges to fixed assets and including retirement benefit costs	<b>8.6</b>	9.8	18.3
Depreciation and amortisation	<b>14.2</b>	13.8	27.7
Profit on disposal of assets	-	(0.1)	(0.1)
<b>Exceptional costs include -</b>			
Acquisition costs	<b>0.1</b>	-	-
Transformation costs	-	0.9	2.1
Provision for legal and similar costs	-	-	(0.5)
Historic raw water costs	-	-	0.6

The acquisition costs relate to costs incurred in relation to the acquisition of the Company by Pennon Group plc and the review of the acquisition by the Competition and Markets Authority.

The prior year exceptional costs relate to provisions for legal costs relate to two separate legal process the Company entered into in 2020 which both concluded in the year ended 31 March 2021; increase in charges payable for raw water abstraction for the financial year 2018/19 and 2019/20 following the conclusion of the arbitration with the CRT and transformation costs relating to a restructuring programme.

**7 Net interest payable and similar charges**

	Six months to 30 September 2021 (unaudited)	Six months to 30 September 2020 (unaudited)	Year to 31 March 2021 (audited)
	£m	£m	£m
<b>Interest payable and similar charges:</b>			
Bank borrowings	1.0	1.1	2.0
Term loans and debentures:			
interest charges	5.1	5.1	10.2
indexation	1.2	1.2	3.2
Leases	-	0.2	0.2
Capitalisation of borrowing cost	(0.1)	(0.2)	(0.3)
Dividends on 8.75% irredeemable cumulative preference shares	0.5	0.5	1.1
	<b>7.7</b>	<b>7.9</b>	<b>16.4</b>
<b>Interest receivable and similar income:</b>			
Interest income in respect of retirement benefit scheme	(0.1)	(0.2)	(0.4)
Loan to Bristol Water Holdings UK Ltd – interest receivable	(1.8)	(1.9)	(3.9)
Other external investments and deposits income	-	-	-
	<b>(1.9)</b>	<b>(2.1)</b>	<b>(4.3)</b>
<b>Total net interest payable and similar charges</b>	<b>5.8</b>	<b>5.8</b>	<b>12.1</b>

The rate used to determine the amount of borrowing costs eligible for capitalisation was 3.5% (30 September 2020: 3.6%), which is the weighted average interest rate of applicable borrowings.

Dividends on the 8.75% irredeemable cumulative preference shares are payable at a fixed rate of 4.375% on 1 April and 1 October each year. Payment by the Company to the share registrars is made two business days earlier. The payments are classified as interest in accordance with IAS 39 "Financial Instruments – Recognition and Measurement".



## 8 Taxation

	Six months to 30 September 2021 (unaudited) £m	Six months to 30 September 2020 (unaudited) £m	Year to 31 March 2021 (audited) £m
<b>Tax expense included in Income Statement</b>			
<b>Current tax:</b>			
Corporation tax on profits for the period /year	2.2	0.5	1.6
Adjustment in respect of prior period	-	-	(0.2)
Total current tax	2.2	0.5	1.4
<b>Deferred tax:</b>			
Origination and reversal of timing differences	-	0.4	0.5
Adjustment to prior periods	-	0.1	0.2
Effect of change in UK corporation tax rate	21.0	-	-
Total deferred tax	21.0	0.5	0.7
Tax expense on profit	23.2	1.0	2.1
<b>Tax income (included in other comprehensive income)</b>			
Remeasurement of post-employment benefit liability	(0.3)	(0.2)	(0.3)
Total tax income included in other comprehensive income	(0.3)	(0.2)	(0.3)

## 9 Earnings per ordinary share

	At 30 September 2021 (unaudited) m	At 30 September 2020 (unaudited) m	At 31 March 2021 (audited) m
Basic earnings per ordinary share have been calculated as follows -			
Earnings attributable to ordinary shares	£(12.6)	£3.3	£6.8
Weighted average number of ordinary shares	6.0	6.0	6.0
	(210.0)p	55.0p	113.3p

As the Company has no obligation to issue further shares, disclosure of earnings per share on a fully diluted basis is not relevant.

**10 Property, plant and equipment**

	<b>Six months to 30 September 2021 (unaudited) £m</b>	Six months to 30 September 2020 (unaudited) £m	Year to 31 March 2021 (audited) £m
Net book value, beginning of period	<b>682.9</b>	671.8	671.8
Additions	<b>16.4</b>	17.0	35.2
Disposals	-	-	(0.1)
Depreciation charge for the period	<b>(12.3)</b>	(11.9)	(24.0)
Net book value, end of period	<b>687.0</b>	676.9	682.9

The net book value of property, plant and equipment includes £6.3m (30 September 2020: £6.1m) of borrowing costs capitalised in accordance with IAS 23. During the six months ended 30 September 2021 £0.2m was capitalised using 3.5% prorated annual capitalisation rate (30 September 2020 £0.2m, 3.6%).

**11 Intangible assets**

	<b>Six months to 30 September 2021 (unaudited) £m</b>	Six months to 30 September 2020 (unaudited) £m	Year to 31 March 2021 (audited) £m
Net book value, beginning of period	<b>13.3</b>	<b>14.0</b>	14.0
Additions	<b>1.4</b>	<b>2.3</b>	3.0
Amortisation charge for the period	<b>(1.9)</b>	<b>(1.9)</b>	(3.7)
Net book value, end of period	<b>12.8</b>	<b>14.4</b>	13.3



## 12 Retirement benefits

Pension arrangements for employees have historically been provided through the Company's membership of the Water Companies' Pension Scheme (WCPS), which provides defined benefits based on final pensionable pay. The Company's membership of WCPS is through a separate section of the scheme. On 7 June 2018 the Trustee of the Bristol Water Section of the WCPS purchased a bulk annuity policy to insure the benefits for the members in the section. Following this, the method for valuing the liabilities of the pension scheme has remained the same. However, the scheme asset, in the form of the insurance policy, now matches the value of the liabilities.

The gross pension surplus of £12.9m at 30 September 2021 (30 September 2020 £14.4m) relates to the market value of assets still held by the scheme, and is stated after including a £1.0m estimation of the liability arising to adjust certain scheme benefits to compensate for the effect of unequal Guaranteed Minimum Pensions for men and women.

Looking ahead, we expect the insurer will take over responsibility for the payment and administration of member benefits. Once this has happened members will no longer be members of the Section, instead they will have individual policies with the insurer. At this point the Section will be wound up.

In summary, assets and liabilities under IAS 19 were:

	At 30 September 2021 (unaudited) £m	At 30 September 2020 (unaudited) £m	At 31 March 2021 (audited) £m
Fair value of section assets	191.2	198.3	191.1
Present value of liabilities	(178.3)	(183.9)	(177.1)
Surplus in the section	12.9	14.4	14.0
Less: restriction of surplus	(4.5)	(5.0)	(4.9)
Net pension asset on IAS 19 basis	8.4	9.4	9.1

## 13 Leases

### a) Amounts recognised in the Statement of Financial Position

The Statement of Financial Position shows the following amounts relating to leases:

	At 30 September 2021 (unaudited) £m	At 30 September 2020 (unaudited) (restated) £m	At 31 March 2021 (audited) £m
<b>Included in Property, Plant and Equipment</b>			
Cost	14.4	14.4	14.4
Accumulated depreciation	(12.2)	(11.7)	(11.9)
	2.2	2.7	2.5
<b>Included in Intangible assets</b>			
Cost	1.3	1.3	1.3
Accumulated depreciation	(1.3)	(1.3)	(1.3)
Net borrowings	-	-	-

**13 Leases (continued)****b) Amounts recognised in the income statement**

The Income Statement shows the following amounts relating to leases:

	At 30 September 2021 (unaudited) £m	At 30 September 2020 (unaudited) £m	At 31 March 2021 (audited) £m
Depreciation charge relating to assets under leases	0.2	0.2	0.5
Interest expense (included in finance cost)	-	0.2	0.2
Expense relating to short-term leases (included in administrative expenses)	-	-	0.1

**14 Net borrowings**

	At 30 September 2021 (unaudited) £m	At 30 September 2020 (unaudited) £m	At 31 March 2021 (audited) £m
Net borrowings comprise -			
Borrowings and derivatives due after one year	382.4	386.3	379.2
Lease liabilities due after one year	1.3	1.7	1.5
Borrowing and derivatives due under one year	9.0	-	9.0
Current portion of lease liabilities	0.4	0.4	0.4
	<b>393.1</b>	388.4	390.1
Cash and cash equivalents	<b>(14.8)</b>	(11.0)	(10.9)
Net borrowings excluding 8.75% irredeemable cumulative preference shares	<b>378.3</b>	377.4	379.2
8.75% irredeemable cumulative preference shares	<b>12.5</b>	12.5	12.5
Net borrowings	<b>390.8</b>	389.9	391.7

**Borrowing facilities**

At the period end the Company had unutilised borrowing facilities of £42.0m.

**Fair value of financial assets and liabilities measured at amortised cost.**

The fair value of borrowings are as follows:

	Six months to 30 September 2021 (unaudited) £m	Six months to 30 September 2020 (unaudited) £m	Year to 31 March 2021 (audited) £m
Non-current	551.1	561.4	546.7
Current	9.3	0.2	9.3
	<b>560.4</b>	561.6	556.0



### 15 Commitments and contingent liabilities

Capital commitments at 30 September 2021 contracted for but not provided were £4.6m (2020: £3.5m).

### 16 Ultimate parent company and controlling party

The immediate parent company for this entity is Bristol Water Core Holdings Limited, a company incorporated in England and Wales.

As at 31 March 2021, the Directors considered the ultimate parent and controlling party of the Company to be iCON Infrastructure Partners III, L.P acting through its Managing General Partner, iCON Infrastructure Management III Limited.

On 3 June 2021 Pennon Group plc acquired the entire shareholding of Bristol Water Holdings UK Limited ("BWHUK") the Company's intermediate parent company, and its subsidiaries. As a result of the acquisition of BWHUK, Pennon Group plc became the ultimate parent and controlling party of the Company.

The smallest and largest group in which the Company is consolidated is Pennon Group plc which is registered in England and copies of its consolidated interim report are available from Peninsula House, Rydon Lane, Exeter, Devon, England, EX2 7HR.

### 17 Related party transactions

During the six months to 30 September 2021 the Company spent £1.6m (2020: £1.5m) on the purchase of customer related services from BWBSL, a joint venture company between Bristol Water Holdings Limited and Wessex Water Services Limited. At 30 September 2021 £0.8m (2020: £1.4m) was receivable from BWBSL and £1.0m (2020: £1.0m) was payable to BWBSL.

During the six months to 30 September 2021 the Company recognised sales of £6.4m (2020 £9.1m) to Water 2 Business Limited (W2B), an associate company within the BWHUK group of companies. At 30 September 2021 £1.4m (2020: £1.4m) was receivable from W2B primarily in respect of water supply charges.

On 3 June 2021, following the acquisition by Pennon Group plc, Pennon Water Services Limited ("PWS") became a related party of the Company. During the period from 3 June 2021 to 30 September 2021 the Company recognised sales of £0.3m to PWS. At 30 September 2021 £0.1m was receivable from PWS primarily in respect of water supply charges.

### 18 Circulation

This interim announcement is available on the Bristol Water web site: <http://www.bristolwater.co.uk>. Paper copies are also available from the Company's registered office at Bridgwater Road, Bristol, BS13 7AT.





### DIRECTORS' RESPONSIBILITIES FOR THE PREPARATION OF INTERIM ACCOUNTS

The directors confirm that these condensed interim financial statements have been prepared in accordance with FRS104 'Interim Financial Reporting', and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

The directors of Bristol Water Plc are listed in the Bristol Water Plc Annual Report for 31 March 2021. A list of current directors is maintained on the Bristol Water plc website: [www.bristolwater.co.uk](http://www.bristolwater.co.uk)

#### Going concern

The directors have a reasonable expectation that the Company has adequate resources available to it to continue in operational existence for the foreseeable future and have therefore continued to adopt the going concern policy in preparing the interim accounts. This conclusion is based upon, amongst other matters, a review of the Company's financial projections together with a review of the £14.8m cash and £42.0m unutilised committed borrowing facilities available to the Company as well as consideration of the Company's capital adequacy.

By order of the Board  
**H Hancock**  
Company Secretary  
29 November 2021