BRISTOL WATER plc

Announcement of interim results for the six months ended 30 September 2016

Bristol Water plc is ultimately owned by iCON Infrastructure Partners III, LP (50%), Sociedad General de Aguas de Barcelona S.A. (Agbar) (30%), and Itochu Corporation of Japan (20%).

On 14 November 2016 iCON Infrastructure agreed to purchase Agbar's 30% stake in Bristol Water which will take effect on 15 December 2016.

Bristol Water plc supplies water to over 1.2 million people and businesses in an area of almost 2,400 square kilometres centred on Bristol.

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FINANCIAL HIGHLIGHTS

	£m
Profit after taxation for 6 months to 30 September 2015	**10.2**
Significant changes between periods:	
Decrease in revenue	**(0.6)**
Decrease in operational expenditure	**0.6**
Decrease in depreciation	**0.1**
Increase in debt indexation charge	**(0.7)**
Decrease in other interest charges	**0.2**
	(0.4)
Decrease in taxation due to reinstated capital allowances previously waived	**0.3**
Decrease in taxation due to tax rate change	**3.3**
Profit after taxation for 6 months to 30 September 2016	**13.4**

Summary

- Reduced revenue reflecting K-factor of -1.8% offset by RPI increase
- Continued stable underlying financial and operational performance
- Significant level of capital investment continued with a £14.4m investment during the period
- Increase in debt indexation charge due to higher RPI

CHAIRMANS STATEMENT

This period has been marked by strong performance and changes to our organisation with the completion of our new operating model and our successful entry into the Non Household Retail shadow market. This demonstrates our commitment to excellent service to our customers and the Company's ability to deliver its targets for the AMP6 period, to meet the regulatory challenges on the horizon.

The Company has performed well operationally over the last six months. Weather conditions have been favourable and we have not experienced a high number of bursts. The commitment of our staff and contracting partners and improved customer communications has meant we have been able to minimise the impact of any disruption sustained by our customers during these incidents. One exception to this was a burst at Kingswood on August Bank Holiday which was a hot day when demand for water was high. This was a particularly challenging burst to fix and we regret the impact this had on those affected customers.

The general improved performance around bursts, which is measured in 'Unplanned Customer Minutes Lost' reflects an overall positive picture on our performance commitments at this half year review, and provides a reassuring outlook for the year end. Our new selective compulsory metering on change of occupancy programme will help improve our position on Household Meter Penetration, which remains the most challenging target, and is an important step towards better use of resources.

Ofwat's service measure, SIM, captures the customer experience, their interaction with the Company and the reasons that prompted them to contact us. The latest SIM wave results, wave two published in September 2016, placed us 4th out of 18 companies in the industry, a slight improvement from our 5th position for end of year 15/16. We are seeking to maintain and improve the customer experience by introducing new communication and feedback channels and initiatives such as Customer Service Week and training.

As well as our regulatory performance targets we conduct monthly customer satisfaction surveys for a deeper dive into the impact of our work and to monitor our effectiveness and reputation. This figure has risen slightly from 4.42 (out of 5) in April to 4.46 in September with only slight deviations in between, bringing reassurance of consistency and satisfaction with our service, with room for improvement as always.

We have seen a significant improvement in value for money ratings from our customers that reflects the 16% reduction in bills following the Regulatory Price Determination effective from April 2015.

This has had an inevitable impact on revenue. In 2015/16 income to the end of March was £21.9m lower than the year before. Prices reduced further in 2016/17 leading to a reduction in income of £0.6m in the results to September compared with the same period last year. In order that we continue to deliver for customers, we have maintained financial stability by targeting early delivery of efficiencies, reprioritising our capital and maintenance expenditure and restricting shareholder dividends.

These actions have collectively meant that our profit before tax is only £0.4m lower than the comparative period last year, and our net debt position has remained fairly constant compared to the last year end. As a result of this stringent financial management and our commitment to improvement we have maintained our Baa1 Moody's credit rating.

The principal risks and uncertainties are assessed as including high inflation, interest rates and unforeseen costs. Unforeseen costs are most likely to occur from unknown events and adverse weather conditions. Brexit remains an unknown effect with uncertain timing.

The new operating model will make the Company more resilient and efficient. Now implementation is complete we enter a period of review and refinement as we embed the changes and support our staff in their new ways of working under the new organisational structure. Other key areas of business improvement concern asset and commercial management, detailed in our Project Channel, which will help deliver efficiencies through to 2020 (Asset Management Plan 6).

The start of Non Household Retail shadow market in September was a significant milestone in our journey towards Open Water, the new water market. Shadow operation gives Bristol Water and our incumbent retailer water2business (a joint venture of our holding company with Wessex Water) an opportunity to test and refine the many systems and processes that have been put in place to enable all parties, and other retailers, to operate in this new water market when it goes live on 3 April 2017.

We have applied to the environment secretary for permission to exit the non-household retail market. With approval from the Department for the Environment, Food and Rural Affairs, we will separate our wholesale business and transfer all of our non-household customers to water2business.

Open Water represents the biggest change to the water industry since privatisation. The Company has risen to the challenge by implementing a complex IT infrastructure and a highly engaging internal staff awareness programme, and ensuring that we are ready for retail at every touch point across the business. We have created some great tools to aid customer understanding and are working closely with Ofwat and our industry partners to ensure that, come April next year, businesses will be aware that they can switch and that Open Water will deliver better choice and enhanced services to business customers.

Our attention has also turned to scoping the capabilities required to operate in the domestic water market following recommendation from Ofwat to the Government that this should go ahead.

Our AMP6 capital work has now started in earnest. The Southern Resilience Scheme is one of the Company's biggest infrastructure projects to date and at the time of the this review, work has just started on the new 30km trunk main that will improve security of supply to 280,000 customers in Somerset. We are working closely with multiple agencies and stakeholders to reduce the impact of this significant project, and are committed as always to our high principles in corporate citizenship to do our best for people, communities and the environment.

The last six months has also seen successful completion of the first phase of a mains renovation scheme across the heart of Bristol, from our Victoria Reservoir to Fishponds in the east of the city. We have minimised customer and traffic disruption by using the slip lining technique and have received a handful of enquiries and no complaints as a result of good planning and communications.

Our visibility has been particularly high this year as a result of our partnership with Refill Bristol, a campaign to encourage people to carry refillable water bottles rather than buy single use plastic. Hundreds of businesses in Bristol have signed up as Refill stations where people can Refill with tap water for free and we produced a map app to help people locate these water points, as well as trendy stainless steel Refill bottles for people to buy. We also created a Refill Water Bar for Bristol’s vibrant festival scene and served free water to more than 15,000 people at events, including the Bristol International Balloon Fiesta. It has recently won the Environmental Innovation of the year award at the Bristol and Bath Environmental Awards.

Positioning our product at the heart of the community earns us positive PR and recognition of the benefits of tap water over bottled water in terms of saving money, litter and plastic waste.

We continue to support local good causes where possible by donating water butts and distributing water efficiency packs widely on request. We have also sponsored exhibitions, events and activities that are aligned to our values and that enhance the quality of life in the region, such as the ‘Festival of Nature’. The water industry charity WaterAid also benefits from team and personal challenges. We are always greatly encouraged by how well customers respond to the WaterAid campaign we insert in our bills.

On 14th November iCON Infrastructure agreed to purchase a 30% stake in Bristol Water from Suez, which will take effect on 15th December. This brought the 10-year relationship with Agbar (now part of Suez) to a natural end, following their takeover of Bristol Water in 2006 and the sale of a 70% stake in 2011.

iCON has an established track record of investing in high quality infrastructure businesses on behalf of its investors and believes in responsible stewardship; this includes health & safety, empowerment of people and corporate and social responsibility. Paul Malan, Senior Partner of iCon Infrastructure LLP, said “iCON is a committed long term owner of the interest that it holds in the company and believes that Bristol Water has a bright future as an independent company.”

iCON’s acquisition of Agbar’s interest is a strong sign of confidence in Bristol Water and recognition that the transformation of our business, while challenging, has been worthwhile in securing our future.

I would like to close with thanks to staff for the commitment to customers and the high level of performance that has been achieved in the first six months of this year.

Keith Ludeman
Chairman
2 December 2016

INCOME STATEMENT
For the six months ended 30 September 2016

	Note	**Six months to 30 September 2016 (unaudited)**	Six months to 30 September 2015 (unaudited)	Year to 31 March 2016
		£m	£m	£m
Revenue	3.2,5	**55.0**	55.6	110.9
Operating expenses	6	**(38.4)**	(39.1)	(74.8)
Operating profit		**16.6**	16.5	36.1
Other net interest payable and similar charges	7	**(3.6)**	(3.1)	(7.2)
Dividends on 8.75% irredeemable cumulative preference Shares	7	**(0.5)**	(0.5)	(1.1)
Net interest payable and similar charges		**(4.1)**	(3.6)	(8.3)
Profit on ordinary activities before taxation		**12.5**	12.9	27.8
Taxation on profit on ordinary activities	8	**0.9**	(2.7)	0.8
Profit for the period		**13.4**	10.2	28.6
Earnings per ordinary share	11	**223.3p**	170.0p	476.7p

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

STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 September 2016

	Note	**Six months to 30 September 2016 (unaudited)**	Six months to 30 September 2015 (unaudited)	Year to 31 March 2016
		£m	£m	£m
Profit attributable to Bristol Water plc shareholders		**13.4**	10.2	28.6
Other comprehensive income:				
Items that will not be reclassified to profit and loss				
Actuarial (losses) / gains on retirement benefit surplus		**(0.9)**	5.9	(2.2)
Attributable current taxation	8	**(0.1)**	-	1.1
Change in the fair value of the interest rate swaps		**(1.0)**	0.4	(0.3)
Deferred taxation	8	**0.3**	(1.3)	(7.9)
Other comprehensive (expense) / income for the year, net of tax		**(1.7)**	5.0	(9.3)
Total comprehensive income for the period		**11.7**	15.2	19.3

STATEMENT OF FINANCIAL POSITION
As at 30 September 2016

	Note	**30 September 2016 (unaudited)**	30 September 2015 (unaudited)	31 March 2016
		£m	£m	£m
Fixed assets				
Property, plant and equipment	9	**560.7**	552.6	556.6
Intangible assets	10	**4.9**	5.7	5.0
Other investments - Loans to a UK holding company		**68.5**	68.5	68.5
		634.1	626.8	630.1
Current assets				
Inventories		**1.3**	1.3	1.3
Trade and other receivables		**33.2**	31.4	30.7
Cash and cash equivalents	16	**18.0**	11.2	18.0
		52.5	43.9	50.0
Creditors: amounts falling due within one year				
Current portion of borrowings	12	**(0.4)**	(0.4)	(0.4)
Other creditors		**(30.8)**	(32.9)	(33.0)
		(31.2)	(33.3)	(33.4)
Net current assets		**21.3**	10.6	16.6
Total assets less current liabilities		**655.4**	637.4	646.7
Creditors: amounts falling due after more than one year				
Borrowings and derivatives	12	**(309.8)**	(306.2)	(308.4)
8.75% irredeemable cumulative preference shares	12	**(12.5)**	(12.5)	(12.5)
Deferred income	14	**(72.9)**	(70.2)	(71.7)
Provision for liabilities	15	**(55.9)**	(77.3)	(59.1)
Net assets excluding retirement benefit surplus		**204.3**	171.2	195.0
Retirement benefit surplus	16	**31.7**	53.2	31.9
Net assets including retirement benefit surplus		**236.0**	224.4	226.9
Equity				
Called-up share capital		**6.0**	6.0	6.0
Share premium account		**4.4**	4.4	4.4
Other reserves		**3.3**	4.6	4.1
Retained earnings		**222.3**	209.4	212.4
Total Equity		**236.0**	224.4	226.9

STATEMENT OF CHANGES IN EQUITY
For the six months ended 30 September 2016

	Called up share capital	Share premium	Capital redemption	Hedging reserve	Retained earnings	Total
	£m	£m	£m	£m	£m	£m
Balance at 1 April 2015	6.0	4.4	5.8	(1.5)	196.1	210.8
	-	-	-	-		
Profit for the year					28.6	28.6
Other comprehensive income for the year:						
Actuarial gains recognised in respect of retirement benefit obligations	-	-	-	-	(2.2)	(2.2)
Attributable current taxation	-	-	-	-	1.1	1.1
Fair value of interest rate swap	-	-	-	(0.3)	-	(0.3)
Deferred taxation	-	-	-	0.1	(8.0)	(7.9)
Total comprehensive income for the year	-	-	-	(0.2)	19.5	19.3
Ordinary dividends	-	-	-	-	(3.2)	(3.2)
Balance as at 31 March 2016	**6.0**	**4.4**	**5.8**	**(1.7)**	212.4	226.9
Balance as at 1 April 2016	6.0	4.4	5.8	(1.7)	212.4	226.9
Profit for the period	-	-	-	-	13.4	13.4
Other comprehensive income for the period:						
Actuarial gains recognised in respect of retirement benefit obligations	-	-	-	-	(0.9)	(0.9)
Attributable current taxation	-	-	-	-	(0.1)	(0.1)
Fair value of interest rate swaps	-	-	-	(1.0)	-	(1.0)
Deferred taxation	-	-	-	0.2	0.1	0.3
Total comprehensive income for the period	-	-	-	(0.8)	12.5	11.7
Ordinary dividends	-	-	-	-	(2.6)	(2.6)
Balance as at 30 September 2016	**6.0**	**4.4**	**5.8**	**(2.5)**	**222.3**	**236.0**

The Board has proposed an interim dividend of £1.6m in respect of the period ended 30 September 2016 (2015: £1.6m). This dividend will be used to pay the intercompany loan interest due from Bristol Water Holdings UK Limited.

CASH FLOW STATEMENT

For the six months ended 30 September 2016

	Note	**Six months to 30 September 2016 (unaudited)**	Six months to 30 September 2015 (unaudited)	Year to 31 March 2016
		£m	£m	£m
Cashflows from operating activities				
Profit before taxation		**12.5**	12.9	27.8
Adjustments for:				
Depreciation, net of amortisation of deferred income	6	**8.5**	8.6	17.2
Amortisation of intangibles	6	**1.0**	1.0	2.0
Difference between pension charges and normal contributions		**0.3**	-	(2.9)
Interest income	7	**(2.1)**	(2.0)	(4.2)
Interest expense	7	**7.0**	6.3	14.0
Pension interest income	7	**(0.8)**	(0.7)	(1.5)
(Increase) / decrease in trade and other receivables		**(3.2)**	3.1	4.5
Decrease in trade and other creditors and provisions		**(2.2)**	(2.0)	(5.6)
Additional contributions to pension scheme		**(0.1)**	(0.2)	(0.4)
Cash generated from operations		**20.9**	27.0	50.9
Interest paid		**(5.9)**	(5.8)	(11.6)
Corporation taxes paid		**0.7**	(1.6)	(2.2)
Net cash inflows from operating activities		**15.7**	19.6	37.1
Cash flows from investing activities				
Purchase of property plant and equipment		**(16.4)**	(20.4)	(33.5)
Contributions received		**2.1**	1.8	4.2
Proceeds from sale of fixed assets		**-**	0.1	0.1
Interest received		**2.1**	2.0	4.2
Net cash used in investing activities		**(12.2)**	(16.5)	(25.0)
Cash flows from financing activities				
Proceeds from long-term borrowings		**-**	-	-
Repayment of long-term borrowings		**-**	-	-
Payment of finance lease liabilities		**(0.4)**	(0.3)	(0.3)
Preference dividends paid		**(0.5)**	(0.5)	(1.1)
Equity dividends paid		**(2.6)**	(1.6)	(3.2)
Net cash used in financing activities		**(3.5)**	(2.4)	(4.6)
Net increase in cash and cash equivalents		**-**	0.7	7.5
Cash and cash equivalents, beginning of period		**18.0**	10.5	10.5
Cash and cash equivalents, end of period	16	**18.0**	11.2	18.0

NOTES TO THE INTERIM ACCOUNTS

For the six months ended 30 September 2016

1 General Information

Bristol Water plc ("the company") is one of eight regulated Water only supply companies ("WOCs") in England and Wales. 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 incorporated and domiciled in the UK. The address of its registered office is Bridgwater Road, Bristol.

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, which have not been audited but have been reviewed by the Company's auditors, 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 following are the significant accounting policies applied by the Company 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 should be able to operate within the level of its current cash reserves and borrowing facilities. After making enquiries, the directors have a reasonable 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 notes 3.13 and 12.

3.2 Revenue

Revenue comprises charges to customers for water and other services, exclusive of VAT.

Revenue from metered water supply is based on water consumption, and is recognised upon delivery of water. Revenue from metered water supply includes an estimate of the water consumption for customers whose meters were not read at the reporting date. The estimate covers the period between the last meter reading and the reporting dates and is recorded within accrued income.

Revenue from unmetered water supply is based on either the rateable value of the property or on an assessed volume of water supplied, and is recognised over the period to which the bill relates.

Revenue from other services is recognised upon completion of the related services.

3.3 Property, plant and equipment and depreciation

Tangible assets are stated at historic purchase cost less accumulated depreciation and comprise infrastructure assets and other assets.

The cost of assets includes their purchase cost together with incidental expenses of acquisition and any directly attributable labour costs which are incremental to the Company.

Capitalisation of borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs are capitalised using a weighted average interest rate of applicable borrowings.

3 Accounting policies (continued)

3.3 Property, plant and equipment and depreciation (continued)

Depreciation

Depreciation is charged, where appropriate, on a straight-line basis on the original cost of assets over their expected economic lives. Freehold land is not depreciated. Depreciation of long-life assets commences when the assets are brought into use.

Assets are depreciated after commissioning over the following estimated economic lives:

Infrastructure assets	23 to 213 years
Operational properties and structures	3 to 100 years
Plant and equipment comprising:	
Treatment, pumping and general plant	2 to 30 years
Computer hardware, software, communications, meters and telemetry equipment	4 to 15 years
Vehicles and mobile plant	4 to 7 years
Assets under construction are not depreciated.	

The assets' remaining useful lives are reviewed periodically and adjusted prospectively, where appropriate.

Impairment

The values of fixed assets are reviewed annually to determine whether their carrying amounts exceed their fair values in use. Where such an excess is believed to exist it is treated as an impairment loss and charged to the Income Statement.

Disposal

An asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Income Statement when the asset is derecognised.

3.4 Intangible assets

Intangible assets acquired separately are measured on initial recognition as cost. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the income statement in the year which the expenditure is incurred.

Assets are depreciated after commissioning over the following estimated economic lives:

Computer software	3 to 10 years
Assets under construction are not amortised	

Intangible assets with finite lives are amortised over their useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Disposal

An asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Income Statement when the asset is derecognised.

3.5 Grants and contributions

Grants and contributions received in respect of network and other assets are recognised in line with the provisions of International Financial Reporting Interpretations Committee ("IFRIC") 18: Transfer of Assets from Customers.

Contributions are shown within deferred income on the Statement of Financial Position and the related amortisation is recognised in the Income Statement over the useful life of the relevant assets.

Grants and contributions in respect of expenditure charged to the Income Statement are recognised when the related rechargeable expenditure is incurred.

3 Accounting policies (continued)

3.6 Pension costs

The Company operates both defined benefit and defined contribution pension arrangements. Defined benefit pension arrangements are provided through the Company's membership of the Water Companies' Pension Scheme (WCPS) via a separate section.

Defined benefit scheme

Defined benefit scheme liabilities are measured by an independent actuary using the projected unit method and discounted at the current rate of return on high quality corporate bonds of equivalent term and currency to the liability. The costs of running the Scheme in the period is charged to operating profit.

Past service costs are recognised in profit or loss on a straight-line basis over the vesting period or immediately if the benefits have vested. Past service costs arising on a plan settlement or a curtailment are included immediately within operating costs.

The amount charged or credited to finance costs is a net interest amount calculated applying the liability discount rate to the net defined benefit liability or asset.

Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions and amendments to pension plans are immediately recognised in the period in which they occur in other comprehensive income.

Defined contribution schemes

Costs of defined contribution pension schemes are charged to the Income Statement in the period in which they fall due. Administration costs of defined contribution schemes are borne by the Company.

3.7 Research and development

Research and development expenditure is charged to the Income Statement as incurred. Development expenditure is not capitalised as it does not meet the criteria of IAS 38.

3.8 Distributions to shareholders

Dividends and other distributions to shareholders are reflected in financial statements when approved by shareholders in a general meeting, except for interim dividends which are included in financial statements when paid by the Company. Accordingly, proposed dividends are not included as a liability in the financial statements.

3.9 Leased assets

Assets financed by leasing agreements that transfer substantially all the risks and rewards of ownership of an asset to the lessee are capitalised and depreciated over the shorter of their estimated useful lives and the lease term. The capital portion of the lease commitment is included in current or non-current creditors as appropriate. The capital element of the lease rental is deducted from the obligation to the lessor as paid. The interest element of lease rentals and the depreciation of the relevant assets are charged to the Income Statement.

Operating lease rental payments are charged to the Income Statement as incurred over the term of the lease.

3.10 Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) for the year, and any adjustment to tax payable or receivable in respect of the prior years, using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Advance Corporation Tax ("ACT") in respect of dividends in previous years is written off to the Income Statement unless it can be recovered against mainstream corporation tax in the financial year or with reasonable assurance in the future. Credit is taken for ACT previously written off when it is recovered against mainstream corporation tax liabilities.

Deferred tax is recognised in respect of all timing temporary differences arising between the carrying amount of assets for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date. Deferred tax assets and liabilities are offset only if a legal enforcement right exists to that effect, the deferred taxes relate to the same taxation authority and that authority permits the Company to make a single net payment.

Tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise tax is recognised in the Income Statement.

3 Accounting policies (continued)

3.11 Cash and cash equivalents

Cash and cash equivalents in the Statement of Finanical Position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash and short-term deposits defined above, net of outstanding bank overdrafts.

3.12 Inventory

Inventory is valued at the lower of cost and net realisable value. Inventory valuation is determined using the weighted average cost method. Following established practice in the water industry, no value is included in the financial statements for water held in store.

3.13 Financial instruments

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised costs.

The net costs of issue of loans (being expenses incurred less premiums received) where material are amortised over the lives of the respective loans and disclosed within net borrowings. Immaterial amounts are written off as incurred. Index-linked loans are considered to be effective economic hedges and are valued at cost plus accrued indexation.

In accordance with the provisions of IAS 32, 'Financial Instruments: Presentation', and IAS 39, 'Financial Instruments: Recognition and Measurement', the Company fair values its interest-rate swaps on the Statement of Financial Position.

Hedge accounting

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking a hedge transaction. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair value or cash flows of hedged items.

The effective portion of the swaps' fair value movements is recognised in the other comprehensive income. Should there be any ineffectiveness; the ineffective portion of the fair value movements would be recognised immediately in the Income Statement within finance charges.

Hedge accounting is discontinued when the Company revokes the hedging relationship, the hedging instrument expires, is terminated or exercised, or no longer qualifies for hedge accounting. Accordingly the cumulative gains/losses previously recognised in the Statement of Comprehensive Income are reclassified immediately to the Income Statement.

3.14 Provisions

A provision is recognised when the Company has a legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefits will be required to settle the obligation. Per the requirements of FRS 101 the deferred taxation provision is not discounted. Other provisions are not discounted as the effect of the time value of money is not considered material.

3.15 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

3.16 Creditors

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

4 Critical accounting estimates and judgments

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

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Useful economic lives of property, plant and equipment

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. These are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 9 for the carrying amount of the property plant and equipment and note 3.3 for the useful economic lives for each class of assets.

Useful economic lives of intangible assets

The annual amortisation for computer software is sensitive to changes in the estimated useful economic lives of the assets. These are amended when necessary to reflect current estimates, based on technological advancement, future investments and economic utilisation. See note 10 for the carrying amount of the intangible assets and note 3.4 for the useful economic lives of the assets.

4 Critical accounting estimates and judgments (continued)

Impairment of trade receivables
The company makes an estimate of the recoverable value of trade and other receivables. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the aging profile of the receivables and historical experience.

Defined benefit pension scheme
The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depends on a number of factors, including; life expectancy, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

In March 2016 the scheme closed to future benefit accrual and as a result any surplus on the scheme would only be available to the company as refund rather than as a reduction in future contributions. Under current UK tax legislation an income tax deduction of 35% is applied to a refund from a UK pension scheme, before it is passed to the employer which is shown as a restriction to the value of the net pension scheme asset.

See note 16 for the disclosures of the defined benefit pension scheme.

5 Revenue

Revenue is wholly derived from water supply and related activities in the United Kingdom. The maximum level of prices the Company may levy for the majority of water charges is controlled by the Water Services Regulation Authority (Ofwat) through the RPI +/- K price formula.

6 Operating expenses

	Six months to 30 September 2016 (unaudited)	Six months to 30 September 2015 (unaudited)	Year to 31 March 2016
	£m	£m	£m
Operating expenses include -			
Payroll cost, net of recharges to fixed assets and including retirement benefit costs	**7.0**	7.3	12.2
Depreciation and amortisation, net of deferred income amortisation	**9.5**	9.6	19.2

7 Net interest payable and similar charges

	Six months to 30 September 2016 (unaudited)	Six months to 30 September 2015 (unaudited)	Year to 31 March 2016
	£m	£m	£m
Interest payable and similar charges relate to:			
Bank borrowings	**1.2**	1.1	2.3
Term loans and debentures:			
interest charges	**4.7**	4.7	9.4
indexation and amortisation of fees and premium on loans	**0.8**	0.1	1.7
Finance leases	**-**	0.1	-
Capitalisation of borrowing cost	**(0.2)**	(0.2)	(0.5)
Dividends on 8.75% irredeemable cumulative preference shares	**0.5**	0.5	1.1
	7.0	6.3	14.0
Less interest receivable and similar income:			
Interest income in respect of retirement benefit scheme	**(0.8)**	(0.7)	(1.5)
Loan to Bristol Water Holdings UK Ltd – interest receivable	**(2.0)**	(2.0)	(4.0)
Other external investments and deposits income	**(0.1)**	-	(0.2)
	(2.9)	(2.7)	(5.7)
Total net interest payable and similar charges	**4.1**	3.6	8.3

7 Net interest payable and similar charges (continued)

The rate used to determine the amount of borrowing costs eligible for capitalisation was 4.7% (30 September 2015: 4.3%), 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 2016 (unaudited) £m	Six months to 30 September 2015 (unaudited) £m	Year to 31 March 2016 £m
Tax expense included in Income Statement			
Current tax:			
Corporation tax on profits for the year	**1.7**	2.8	2.1
Adjustment in respect of prior period	**0.1**	(0.4)	(0.6)
Total current tax	**1.8**	2.4	1.5
Deferred tax:			
Origination and reversal of timing differences	**0.7**	0.1	3.8
Adjustment to prior periods	**(0.1)**	0.2	0.4
Effect of change in rate	**(3.3)**	-	(6.5)
Total deferred tax	**(2.7)**	0.3	(2.3)
Tax on profit on ordinary activities	**(0.9)**	2.7	(0.8)
Tax income / expense income included in other comprehensive income			
Current tax:			
On defined benefit plan	**-**	-	(1.1)
In respect of prior periods	**0.1**	-	-
Deferred tax:			
Remeasurement of post employment benefit liability	**(0.1)**	(1.3)	(0.9)
Remeasurement of swap liability	**(0.2)**	**-**	(0.1)
Effect of corporation tax change in rate	**-**	**-**	(0.9)
Effect of pension change in rate	**-**	**-**	9.8
Total tax (income) / expense included in other comprehensive income	**(0.2)**	(1.3)	6.8

9 Property, plant and equipment

	Six months to 30 September 2016 (unaudited) £m	Six months to 30 September 2015 (unaudited) £m	Year to 31 March 2016 £m
Net book value, beginning of period	**556.6**	546.0	546.0
Additions	**13.5**	16.1	29.6
Disposals	**-**	-	(0.1)
Depreciation charge for the period	**(9.4)**	(9.5)	(18.9)
Net book value, end of period	**560.7**	552.6	556.6

The net book value of property, plant and equipment includes £4.9m (30 September 2015: £4.4m) of borrowing costs capitalised in accordance with IAS 23. During the six months ended 30 September 2016 £0.2m was capitalised using 4.7% prorated annual capitalisation rate (30 September 2015 £0.2m, 4.4%).

10 Intangible assets

	Six months to 30 September 2016 (unaudited)	Six months to 30 September 2015 (unaudited)	Year to 31 March 2016
	£m	£m	£m
Net book value, beginning of period	**5.0**	6.5	6.5
Additions	**0.9**	0.2	0.5
Disposals	**-**	-	-
Depreciation charge for the period	**(1.0)**	(1.0)	(2.0)
Net book value, end of period	**4.9**	5.7	5.0

11 Earnings per ordinary share

	At 30 September 2016 (unaudited)	At 30 September 2015 (unaudited)	At 31 March 2016
	m	m	m
Basic earnings per ordinary share have been calculated as follows -			
Earnings attributable to ordinary shares	**£13.4**	£10.2	£28.6
Weighted average number of ordinary shares	**6.0**	6.0	6.0

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

12 Net borrowings

	At 30 September 2016 (unaudited)	At 30 September 2015 (unaudited)	At 31 March 2016
	£m	£m	£m
Net borrowings comprise -			
Debt due after one year, excluding 8.75% irredeemable cumulative preference shares	**309.8**	306.2	308.4
Current portion of borrowings	**0.4**	0.4	0.4
	310.2	306.6	308.8
Cash and cash equivalents	**(18.0)**	(11.2)	(18.0)
Net borrowings excluding 8.75% irredeemable cumulative preference shares	**292.2**	295.4	290.8
8.75% irredeemable cumulative preference shares	**12.5**	12.5	12.5
Net borrowings	**304.7**	307.9	303.3

Borrowing facilities

The Company currently has unutilised borrowing facilities of £70m, of which £50m expires in August 2017. On 2 December 2016 the Company entered into new credit facilities of £15m with an expiry date of 7 Dec 2019 and £35m with a maturity date of 7 Dec 2021 to replace the expiring £50m facility.

13. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's main financial instruments comprise:

- borrowings and cash;
- 8.75% irredeemable cumulative preference shares;
- various items, such as trade receivables and trade creditors, that arise directly from its operations; and
- two long-term loans made to Bristol Water Holdings UK Limited.

The Company has also entered into interest rate swaps to manage the interest rate risk arising from its sources of finance. It is the Company's policy not to trade in financial instruments.

The Company's significant debt financing exposes it to a variety of financial risks that include the effect of changes in debt market prices, credit risks, liquidity and interest rates. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company.

The Board is responsible for setting the financial risk management policies applied by the Company. The policies are implemented by the finance department. The finance department has a policies and procedures manual that sets out specific guidelines to manage interest rate risk, credit risk and the use of financial instruments to manage these risks.

(a) Interest rate risk of financial assets
The financial assets include cash at bank and cash deposits which are all denominated in sterling. During the year cash and cash deposits were placed with banks for either a fixed term or repayable on demand earning interest at market rates. There are also interest-bearing fixed rate loans totaling £68.5m (2015/16: £68.5m) to Bristol Water Holdings UK Limited.

(b) Interest rate risk and inflation risk of financial liabilities
The financial liabilities consist of interest-bearing loans, debentures, finance leases and 8.75% irredeemable cumulative preference shares. The Company uses interest-rate swaps as hedging instruments to hedge cash flows in respect of future interest payments, which has the effect of increasing the proportion of fixed interest debt.

The Company's practice is to maintain the majority of its net debt on a fixed or a fixed margin above movements in RPI basis. At the period-end 39%* (2015/16: 40%**) of the Company's gross financial liabilities, excluding the 8.75% irredeemable cumulative preference shares, were at fixed rates. 95% (2015/16: 96%) of the Company's gross financial liabilities, excluding the 8.75% irredeemable cumulative preference shares, were at fixed or index-linked rates. The residues were at floating rates.

The Company's current intention is to maintain a future interest rate management profile consisting of financial liabilities at either fixed or index-linked rates amounting to 70% or more of such liabilities. The balance between fixed or index-linked, and floating interest rate liabilities will be kept under review, and is dependent on the availability of such resources in the financial markets.

The carrying value of the Company's index-linked borrowings is exposed to changes in RPI. The Company's RCV and water charges are also linked to RPI. Accordingly index-linked debt partially hedges the exposure to changes in RPI and delivers a cash flow benefit, as compensation for the indexation is provided through adjustment to the principal rather than in cash.

* Variable interest rate loans totalling £60m, covered by interest rate swaps, have been considered as fixed interest rate loans for the calculation of this percentage.
** Variable interest rate loan totalling £10m, covered by interest rate swap, was considered as fixed interest rate loan for the calculation of this percentage.

(c) Credit risk
The Company is required by the Water Industry Act 1991 to supply water to all potential customers in its licensed area. In the event of non-payment by commercial customers, but not domestic customers, the Company has a right of disconnection. For all customers the Company has implemented policies and procedures designed to assess the risk of further non-payment and recoup debts.

Under the terms of the STID, cash at bank and cash deposits are placed with banks with a minimum of Moody's P-1 and Standard & Poors A-1 credit ratings.

There is no collateral held as security in respect of the above financial assets.

(d) Liquidity risk
It is the Company policy to maintain continuity of funding. At the period end 77% (2015/16: 76%) of its financial liabilities, including 8.75% irredeemable cumulative preference shares, mature after five years or are irredeemable.
The Company actively maintains a mixture of long-term and short-term committed facilities that are designed to provide sufficient funds for operations.

The Company has a £20m facility expiring in December 2019, and a £50m facility expiring in August 2017. Both the facilities are floating rate and incur non-utilisation fees at market rates. On 2 December 2016 the Company entered into new credit facilities of £15m with an expiry date of 7 Dec 2019 and £35m with a maturity date of 7 Dec 2021 to replace the expiring £50m facility.

Under the terms of the STID the Company is required to maintain sufficient funds in a nominated account to cover estimated debt service payments arising during the following year. These funds, currently amounting to approximately £5.4m (2015/16: £5.4m), are therefore not available for other operational use or distribution to shareholders.

Derivative financial instruments and hedge accounting
The Company has entered into two interest rate swaps with notional values of £10m and £50m. These were effective from 22 October 2008 and 3 December 2014 respectively. The Company uses interest-rate swaps as hedging instruments to hedge cash flows in respect of future interest payments, and accordingly hedge accounting is applied as mentioned in note 3.13.

(e) Covenants compliance risk
Under the terms of its principal debt agreements the Company is required to comply with covenants relating to minimum levels of interest cover and to maximum levels of net debt in relation to regulatory capital value. Failure to comply may result in various restrictions being imposed upon the Company. Risk is minimised through continuous monitoring of the relevant ratios in both emerging and forecast results, and by close control of operating cash flows and capital investment programmes.

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

The fair value of borrowings are as follows:

	Six months to 30 September 2016 (unaudited)	Six months to 30 September 2015 (unaudited)	Year to 31 March 2016
	£m	£m	£m
Non-current	**488.9**	415.1	415.8
Current	**0.4**	0.4	0.4
	489.3	415.5	416.2

14 Deferred Income

	Six months to 30 September 2016 (unaudited)	Six months to 30 September 2015 (unaudited)	Year to 31 March 2016
	£m	£m	£m
Net book value, beginning of period	**71.7**	69.2	69.2
Additions	**2.1**	1.9	4.2
Amortisation charge for the period	**(0.9)**	(0.9)	(1.7)
Net book value, end of period	**72.9**	70.2	71.7
Current	**1.7**	1.7	1.7
Non-current	**71.2**	68.5	70.0
	72.9	70.2	71.7

15 Provision for liabilities

	At 30 September 2016 (unaudited)	At 30 September 2015 (unaudited)	At 31 March 2016
	£m	£m	£m
Provision for deferred tax	**55.9**	76.4	58.9
Provision for staff redundancies	**-**	0.9	0.2
	55.9	77.3	59.1
Provision for deferred tax comprises:			
Accelerated capital allowances and capital element of finance leases	**60.9**	71.3	64.0
Deferred income	**(4.5)**	(5.2)	(4.7)
Short-term timing differences	**-**	(0.1)	-
Retirement benefit obligations	**-**	10.7	-
Interest rate swaps	**(0.5)**	(0.3)	(0.4)
	55.9	76.4	58.9

16 Retirement benefits

Pension arrangements for the Company's employees are partly 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. The assets of the section are held separately from those of the Company and are invested by discretionary fund managers appointed by the trustees of the scheme. The section has been closed to new entrants and all new eligible employees are offered membership of a stakeholder pension scheme.

In addition to providing benefits to employees and ex-employees of Bristol Water plc, the section provides benefits to former Bristol Water plc employees who transferred to Bristol Wessex Billing Services Ltd. The majority of the section assets and liabilities relate to Bristol Water plc employees and ex-employees. The financial position of the section is determined by an independent actuary (Lane, Clark & Peacock LLP).

The latest triennial valuation of the pension scheme was completed as at 31 March 2014. The total deficit as at 31 March 2014 measured on a long-term scheme funding basis was £2.8m, representing a funding level of 98.4%.

An updated estimate of the scheme's funding position at 31 March 2015 indicated a funding surplus of £3.2m. The improvement in the funding position since the triennial valuation at 31 March 2014 reflects primarily higher than expected asset returns, lower than expected inflationary pension increases and deficit contributions paid over the year, largely offset by the reduction in the real yields available on long-dated gilts (which serves to increase the technical provisions).

The funding surplus of £3.2m and the accounting surplus of £48.7m are not comparable because:

- the approach for valuation of scheme liabilities is significantly different between the two valuation methods and
- the funding surplus is based on a position at 31 March 2015 and the accounting surplus is based on a position at 30 September 2016.

Pension assets and liabilities are recognised in the accounts in accordance with IAS 19 'Employee benefits' as disclosed in note 3.6.

In summary, assets and liabilities under IAS 19 were:

	At 30 September 2016 (unaudited)	At 30 September 2015 (unaudited)	At 31 March 2016
	£m	£m	£m
Fair value of section assets	**240.5**	205.0	209.2
Present value of liabilities	**(191.8)**	(151.8)	(160.2)
Surplus in the section	**48.7**	53.2	49.0
Less: restriction of surplus	**(17.0)**	-	(17.1)
Net pension asset on IAS 19 basis	**31.7**	53.2	31.9

17 Supplementary cash flow information

For the purpose of the statement of cash flow, cash and cash equivalents comprise the following:

	Six months to 30 September 2016 (unaudited)	Six months to 30 September 2015 (unaudited)	Year to 31 March 2016
	£m	£m	£m
Cash and cash equivalents	**18.0**	11.2	18.0
	18.0	11.2	18.0

18 Commitments

Capital commitments at 30 September 2016 contracted for but not provided were £6.9m (2015: £5.9m)

19 Ultimate parent company and controlling party

At the balance sheet date the immediate parent company was Bristol Water Core Holdings Limited, a company incorporated in England and Wales. The ultimate parent company and controlling party was considered by the directors to be iCON Infrastructure Partners III, LP, a company incorporated in Guernsey

The group in which this company is consolidated is Capstone Infrastructure Corporation and copies of its consolidated annual report are available from 155 Wellington Street West, Suite 2930 Toronto, ON M5V 3H1, Canada.

20 Related party transactions

During the six months to 30 September 2016 the Company spent £1.8m (2015: £1.6m) on purchase of customer related services from BWBSL, a joint venture company between Bristol Water Holdings Limited and Wessex Water Services Limited. At 30 September 2016 £1.4m (2015: £0.8m) was receivable from BWBSL and £1.5m (£1.4m) was payable to BWBSL.

21 Events after the end of the reporting period

On 14 November 2016 iCON Infrastructure agreed to purchase Agbar's 30% stake in Bristol Water which will take effect on 15 December 2016.

22 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.

Bristol Water plc - Interim Accounts

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 2016. A list of current directors is maintained on the Bristol Water plc website: 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 £18.0m cash and £70m unutilised committed borrowing facilities available to the Company as well as consideration of the Company's capital adequacy.

By order of the Board
S C Robson
Secretary
2 December 2016

Independent review report to Bristol Water plc
Report on the interim financial statements

Our conclusion

We have reviewed Bristol Water plc's interim financial statements (the "interim financial statements") in the interim results of Bristol Water plc for the 6 month period ended 30 September 2016. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with FRS 104 “Interim Financial Reporting” issued by the Financial Reporting Council and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom’s Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the statement of financial position as at 30 September 2016;
- the income statement and statement of comprehensive income for the period then ended;
- the cash flow statement for the period then ended;
- the statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the interim results have been prepared in accordance with FRS 104 “Interim Financial Reporting” issued by the Financial Reporting Council and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom’s Financial Conduct Authority.

As disclosed in note 2 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Company is applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 “Reduced disclosure framework-Disclosure exemptions from EU-adopted IFRS for qualifying entities” .

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The interim results, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim financial statements in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom’s Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the interim financial statements based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom’s Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, ‘Review of Interim Financial Information Performed by the Independent Auditor of the Entity’ issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the interim financial statements and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim results.

PricewaterhouseCoopers LLP
Chartered Accountants
Bristol
2 December 2016