Viridian Group Investments Limited

Unaudited Interim Report and Accounts

Second Quarter
2013

GROUP FINANCIAL HIGHLIGHTS

Underlying Business Results[1]

Second Quarter 2013

- Group pro-forma Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) for Second Quarter 2013 decreased to £23.9m (2012 - £31.0m)[2]

- Group pro-forma operating profit for Second Quarter 2013 decreased to £19.0m (2012 - £24.6m)

First Half 2013

- Group pro-forma EBITDA for First Half 2013 decreased to £48.2m (2012 - £56.5m)[2]

- Group pro-forma operating profit for First Half 2013 decreased to £38.8m (2012 - £44.0m)

UK GAAP Results[3]

Second Quarter 2013

- Turnover for Second Quarter 2013 decreased to £359.9m (2012 - £399.3m)

- Group operating profit before goodwill amortisation for Second Quarter 2013 increased to £24.5m (2012 - £18.8m)

First Half 2013

- Turnover for First Half 2013 decreased to £731.0m (2012 - £797.7m)

- Group operating profit before goodwill amortisation for First Half 2013 increased to £54.1m (2012 - £36.7m)

[1] Based on regulated entitlement from continuing operations and before goodwill amortisation and exceptional items.
[2] Continuing operations pro-forma operating profit (pre exceptional items) for Second Quarter 2013 of £19.0m (2012 - £24.6m); First Half 2013 £38.8m (2012 - £44.0m) with an add-back for depreciation/amortisation in Second Quarter 2013 of £4.9m (2012 - £6.4m); First Half 2013 £9.4m (2012 - £12.5m)
[3] Based on continuing operations and before exceptional items.

MANAGEMENT REPORT

The directors of Viridian Group Investments Limited present their interim report and accounts for the 3 months ended 30 September 2012 (Second Quarter 2013) and the 6 months ended 30 September 2012 (First Half 2013) including comparatives for the 3 months ended 30 September 2011 (Second Quarter 2012) and the 6 months ended 30 September 2011 (First Half 2012). All references in this document to ‘Group’ denote Viridian Group Investments Limited and its subsidiary undertakings and to ‘Company’ denote Viridian Group Investments Limited, the parent company.

Principal Activities

There were no changes to the principal activities of the Group’s businesses during Second Quarter 2013. These comprise:

- Energia Group - a vertically integrated energy business consisting of competitive electricity supply to business customers in both Northern Ireland and the Republic of Ireland (ROI) through Energia, its retail supply business, backed by electricity generation from its two Huntstown CCGT plants and long-term Power Purchase Agreements (PPAs) with third-party renewable generators (including wind generation assets in which the Group has an equity interest). The Energia Group also supplies natural gas to business customers, principally in the ROI; and

- Power NI Energy - supply of electricity primarily to residential customers in Northern Ireland through Power NI and power procurement through PPB.

Strategy

The Group’s strategy continues to focus on the following five strategic objectives:

- improve profitability and maintain stable cash flows;
- maintain high availability of generation plants;
- continue to drive growth through expansion in renewables;
- focus on customer retention; and
- maintain active engagement with regulators and key lobby groups.

Group pro-forma EBITDA

The Group's pro-forma EBITDA by business was as follows:

	Second Quarter 2013 £m	Second Quarter 2012 £m	**First Half 2013 £m**	First Half 2012 £m	Year end 31 March 2012 £m
Energia Group (pre exceptional items)[1]	**19.3**	25.4	**37.6**	45.9	91.3
Power NI Energy [2]	**6.1**	7.0	**12.1**	12.0	25.3
Other	**(1.5)**	(1.4)	**(1.5)**	(1.4)	(2.9)
	23.9	31.0	**48.2**	56.5	113.7

[1] *As shown in note 2 to the interim accounts. Includes EBITDA from renewable windfarm assets for Second Quarter 2013 £nil (2012 - £0.9m); First Half 2013 £nil (2012 - £1.8m); year ended 31 March 2012 £5.4m*
[2] *As shown in note 2 to the interim accounts*

Second Quarter 2013

Energia Group EBITDA (pre exceptional carbon revenue levy) for Second Quarter 2013 decreased to £19.3m (2012 - £25.4m). Excluding EBITDA from renewable windfarm assets of £nil (2012 - £0.9m) EBITDA for Second Quarter 2013 decreased to £19.3m (2012 - £24.5m) primarily as a result of an adverse impact of foreign exchange translation reflecting the strengthening of Sterling to Euro during the period compared to the same period last year, lower sales of carbon allowances to match the exceptional carbon revenue levy, lower plant availability associated with the timing of outages (together with higher operating and maintenance costs), lower Huntstown plant utilisations, and lower renewable wind factors and wholesale prices (including renewable obligation certificate (ROC) prices). This was partly offset by higher electricity retail margins and increased renewable capacity.

Power NI Energy pro-forma EBITDA (based on regulated entitlement) for Second Quarter 2013 decreased to £6.1m (2012 - £7.0m) reflecting:

- Power NI EBITDA (based on regulated entitlement) for Second Quarter 2013 decreasing to £4.7m (2012 - £5.0m) reflecting lower regulated entitlement due to the reduction in customer numbers together with higher operating costs primarily arising from additional resources required for the operation of its new billing system partly offset by both an increase in regulated entitlement associated with the allowed regulated return on the new billing system assets following the conclusion of the billing IT project which went live in May 2012, and higher small scale renewable PPA gross margins.

- PPB EBITDA (based on regulated entitlement) for Second Quarter 2013 decreasing to £1.4m (2012 - £2.0m) as a result of the phasing of regulated entitlement in 2012 and the impact of the new price control effective from 1 April 2012 reflecting reduced entitlement associated with the cancellation of the Kilroot contract in November 2010 and Ballylumford contract in March 2012.

First Half 2013

Energia Group EBITDA (pre exceptional carbon revenue levy) for First Half 2013 decreased to £37.6m (2012 - £45.9m). Excluding EBITDA from renewable windfarm assets of £nil (2012 - £1.8m) EBITDA for First Half 2013 decreased to £37.6m (2012 - £44.1m) primarily as a result of the adverse impact of foreign exchange translation reflecting the strengthening of Sterling to Euro during the period compared to the same period last year and lower sale of carbon allowances. Lower Huntstown plant utilisations, lower renewable wind factors and wholesale prices (including lower ROC prices) were partly offset by higher electricity retail margins, higher availability of the Huntstown plant (together with lower operating and maintenance costs) and increased renewable capacity.

Power NI Energy pro-forma EBITDA (based on regulated entitlement) for First Half 2013 increased to £12.1m (2012 - £12.0m) reflecting:

- Power NI EBITDA (based on regulated entitlement) for First Half 2013 increasing to £9.4m (2012 - £9.0m) reflecting both an increase in regulated entitlement associated with the allowed regulated return on the new billing system assets following the conclusion of the billing IT project which went live in May 2012 and higher small scale renewable PPA gross margins partly offset by lower regulated entitlement due to the reduction in customer numbers and higher operating costs primarily arising from additional resources required for the operation of its new billing system.

- PPB EBITDA (based on regulated entitlement) for First Half 2013 decreasing to £2.7m (2012 - £3.0m) reflecting the impact of the new price control effective 1 April 2012 reflecting reduced entitlement associated with the cancellation of the Kilroot contract in November 2010 and Ballylumford contract in March 2012.

Business Reviews

Energia Group

	Second Quarter 2013	Second Quarter 2012	**First Half 2013**	First Half 2012	Year end 31 March 2012
Availability %					
- Huntstown 1	**97.4**	99.1	**98.7**	87.2	93.3
- Huntstown 2	**99.8**	100.0	**96.0**	92.5	94.1
Utilisation %					
- Huntstown 1	**37.0**	71.6	**29.4**	72.5	54.2
- Huntstown 2	**71.0**	83.2	**63.7**	83.1	74.5
Energia electricity sales (TWh)	**1.3**	1.4	**2.6**	2.8	5.7
Energia gas sales (million therms)	**14**	19	**29**	40	74
Contracted renewable generation capacity in operation in NI & RoI (MW)					
- average during the period	**546**	401	**514**	364	407
- at period end	**547**	420	**547**	420	446

Huntstown 1 availability for Second Quarter 2013 was 97.4% (2012 – 99.1%) primarily reflecting the commencement of a 6 day planned outage on 29 September 2012 which was completed on 4 October 2012. During the outage a defect was identified in the gas turbine generator which will require to be repaired. This is likely to necessitate an additional outage period of up to 50 days in financial year 2014. Availability for First Half 2013 was 98.7% (2012 – 87.2%) with First Half 2012 availability reflecting a 6 day planned outage which was extended by a further 18 days in order to remedy damage caused by the failure of a combustion chamber heat shield fixing.

Huntstown 2 availability for Second Quarter 2013 was 99.8% (2012 – 100.0%). Availability for First Half 2013 was 96.0% (2012 – 92.5%) with First Half 2012 availability reflecting a 20 day planned outage which commenced on 26 March 2011 compared to First Half 2013 reflecting a 12 day planned outage which commenced on 23 March 2012.

Huntstown 2 will undergo a major planned outage in March/April 2013 estimated at 38 day duration in line with its long term service agreement with Mitsubishi.

Huntstown 1 utilisation for Second Quarter 2013 reduced to 37.0% (2012 – 71.6%) and for First Half 2013 reduced to 29.4% (2012 – 72.5%) reflecting the impact of the commissioning of new wind capacity together with the coal/gas price switch from November 2011 which has resulted in increased utilisation of coal plant in the SEM partly offset by the impact of lower wind factors.

In light of the reduced utilisation of the Huntstown 1 plant, Huntstown 1 commenced bidding in gas capacity costs to the SEM from 1 October 2012 to ensure recovery of such costs if the plant is scheduled to run.

Huntstown 2 utilisation for Second Quarter 2013 reduced to 71.0% (2012 – 83.2%) and for First Half 2013 reduced to 63.7% (2012 – 83.1%) for the same reasons as noted above for Huntstown 1.

Energia electricity sales declined slightly to 1.3TWh for Second Quarter 2013 (2012 – 1.4TWh) and was 2.6TWh for First Half 2013 (2012 – 2.8TWh). Customer sites supplied were 59,500 at 30 September 2012 (30 June 2012 – 60,000; 31 March 2012 – 61,400).

Energia gas sales reduced to 14m therms for Second Quarter 2013 (2012 – 19m therms) and reduced to 29m therms for First Half 2013 (2012 – 40m therms). Customer sites supplied reduced to 4,300 at 30 September 2012 (30 June 2012 - 4,500; 31 March 2012 - 4,600).

Renewable portfolio

Energia Group's renewable portfolio primarily consists of offtake contracts with third party-owned windfarms (including wind generation assets previously owned by the Group) and a development pipeline of windfarm projects in which the Energia Group continue to have a direct investment.

Offtake contracts[1]

Energia has entered into contracts with developers under which it has agreed to purchase the long-term output of a number of windfarm projects and with generators from other renewable sources as shown below:

MW	Operating	Under construction	In development	Total
NI	172	-	101	**273**
RoI	375	46	148	**569**
	547	46	249	**842**

The average contracted renewable generation capacity in operation during Second Quarter 2013 was 546MW (2012 – 401MW) and during First Half 2013 was 514MW (2012 – 364MW) with 30 September 2012 capacity at 547MW (30 June 2012 – 510MW; 31 March 2012 – 446MW) reflecting the commissioning of new capacity.

During the period the operating capacity under contract in Northern Ireland increased to 172MW at 30 September 2012 (30 June 2012 – 169MW; 31 March 2012 – 119MW) and the RoI operating capacity increased to 375MW (30 June 2012 – 341MW; 31 March 2012 – 327MW).

[1] Numbers include offtake contracts between Energia and direct investment windfarms

At 30 September 2012 there were 46MW of contracted windfarm capacity in the RoI under construction and 249MW of windfarm capacity in development.

Direct investment

The Energia Group has a direct investment in 80MW of in-development windfarm capacity which comprises 12MW in Northern Ireland and 68MW in the RoI. These assets are expected to become operational in the next three years. The Energia Group also has a further pipeline of projects which are in various stages of obtaining planning permission.

The Energia Group also has a minority share of 25% in the RoI windfarm projects and 20% in the Northern Ireland windfarm projects sold to AMP on 15 June 2012 as described in the First Quarter 2013 accounts.

Power NI

	Second Quarter 2013	Second Quarter 2012	**First Half 2013**	First Half 2012	Year end 31 March 2012
Stage 2 complaints to the Consumer Council (number)	**2**	-	**3**	1	1
Customers (number)					
- Residential	**621,000**	704,000	**621,000**	704,000	666,000
- Non-residential	**36,000**	35,000	**36,000**	35,000	37,000
	657,000	739,000	**657,000**	739,000	703,000
Electricity sales (TWh)	**0.7**	0.8	**1.5**	1.6	3.6

During Second Quarter 2013 Power NI received 2 (2012 - nil) Stage 2 complaints and during First Half 2013 received 3 (2012 - 1) Stage 2 complaints.

During Second Quarter 2013 residential customer numbers reduced to 621,000 (648,000 at 30 June 2012; 666,000 at 31 March 2012) reflecting continued competition from Airtricity and Budget Energy.

During Second Quarter 2013 non-residential customer numbers reduced to 36,000 (37,000 at 30 June 2012; 37,000 at 31 March 2012).

Electricity sales volumes for Second Quarter 2013 reduced to 0.7TWh (2012 - 0.8TWh) and for First Half 2013 was 1.5TWh (2012 – 1.6TWh) reflecting the reduction in residential customer numbers and lower average consumption per customer.

PPB

As at 30 September 2012 the generation capacity under contract to PPB for 832MW comprised:

- Ballylumford - 716MW (600MW CCGT, 116MW gasoil);
- Coolkeeragh - 58MW (gasoil); and
- Kilroot - 58MW (gasoil).

Following notification from NIAUR, 116MW of contracted capacity with Ballylumford and 58MW with Kilroot were cancelled with effect from 1 November 2012. NIAUR also indicated its intention to cancel the 58MW contracted capacity with Coolkeeragh and cancellation is expected to become effective shortly.

Regulation update

Energia Group

Energia Group

Gas capacity bidding in the SEM
On 27 September 2012, the SEM Committee published a consultation paper on the treatment of gas capacity costs in the SEM. The paper considers whether gas capacity costs should be included in generators SRMC and if so, how it should be valued.

Other

NIAUR final determination on Northern Ireland Electricity price control
On 23 October 2012, NIAUR published its final determination on the price control of Northern Ireland Electricity Transmission & Distribution (NIE T&D) which was sold by the Group to ESBNI in December 2010. NIAUR's position on pensions has changed from its draft determination. In particular it has reverted to an approach more in line with GB regulatory precedent for the treatment of recovery of pension deficiency costs.

The final determination concluded that while there had not been a change in NIE T&D's accounting policy in relation to the capitalisation of costs, changes in accounting estimates had impacted the allocation of costs between capex and opex and NIAUR have proposed an adjustment to NIE T&D's RAB.

On 20 November 2012 NIE T&D confirmed that it was unable to accept the final determination and expects NIAUR to refer the price control to the Competition Commission.

Summary of Financial Performance

Group turnover

	Second Quarter 2013 £m	Second Quarter 2012 £m	**First Half 2013 £m**	First Half 2012 £m	Year end 31 March 2012 £m
Energia Group [1]	**231.7**	248.9	**457.8**	490.4	1,021.6
Power NI Energy (based on regulated entitlement)	**122.8**	157.0	**258.1**	316.1	725.5
Adjustment for over/(under) - recovery	**5.5**	(5.8)	**15.3**	(7.3)	(14.6)
Inter business elimination	**(0.1)**	(0.8)	**(0.2)**	(1.5)	(1.5)
Total turnover from continuing operations	**359.9**	399.3	**731.0**	797.7	1,731.0

[1]*includes turnover from renewable windfarm assets for Second Quarter 2013 £nil (2012 - £0.1m); First Half 2013 £nil (2012 - £0.3m); year ended 31 March 2012 £1.4m.*

Second Quarter 2013

Turnover for Second Quarter 2013 decreased to £359.9m (2012 - £399.3m). The breakdown by business is as follows:

Energia Group turnover for Second Quarter 2013 decreased to £231.7m (2012 - £248.9m). Excluding external turnover from renewable windfarm assets for Second Quarter 2013 of £nil (2012 - £0.1m) Energia Group turnover for Second Quarter 2013 decreased to £231.7m (2012 - £248.8m) primarily reflecting the impact of foreign exchange translation (with the strengthening of Sterling to Euro compared to the same period last year), lower Huntstown plant utilisations, lower Energia electricity and gas sales volumes and lower renewable PPA revenues associated with lower wind factors and lower wholesale prices (including ROC prices) partially offset by increased renewable capacity.

Power NI Energy turnover for Second Quarter 2013 decreased to £122.8m (2012 - £157.0m). Power NI turnover (based on regulated entitlement) for Second Quarter 2013 decreased to £97.5m (2012 - £107.7m) primarily due to a reduction in residential customer numbers and average consumption per customer partly offset by an increase in tariffs. PPB turnover (based on regulated entitlement) for Second Quarter 2013 decreased to £25.4m (2012 - £48.4m) primarily reflecting the expiry of contracts relating to 180MW of generating capacity at Ballylumford on 31 March 2012, lower availability and lower utilisation of the remaining plant under contract as a result of the coal/gas price switch from November 2011.

During Second Quarter 2013 the Power NI Energy businesses over-recovered against their regulated entitlement by £5.5m (2012 - under-recovered by £5.8m) and at 30 September 2012 the cumulative over-recovery against regulated entitlement was £2.3m (30 June 2012 - £3.2m cumulative under-recovery). The over/(under)-recovery of regulated entitlement reflects the phasing of tariffs.

First Half 2013

Turnover for First Half 2013 decreased to £731.0m (2012 - £797.7m). The breakdown by business is as follows:

Energia Group turnover for First Half 2013 decreased to £457.8m (2012 - £490.4m). Excluding external turnover from renewable windfarm assets for First Half 2013 of £nil (2012 - £0.3m) Energia Group turnover for First Half 2013 decreased to £457.8m (2012 - £490.1m) primarily due to the same reasons noted above for Second Quarter 2013.

Power NI Energy turnover for First Half 2013 decreased to £258.1m (2012 - £316.1m). Power NI turnover (based on regulated entitlement) for First Half 2013 decreased to £208.6m (2012 - £220.3m) and PPB turnover (based on regulated entitlement) for First Half 2013 decreased to £49.7m (2012 - £93.8m) primarily due to the reasons noted above for Second Quarter 2013.

During First Half 2013 the Power NI Energy businesses over-recovered against their regulated entitlement by £15.3m (2012 - under-recovered by £7.3m) and at 30 September 2012 the cumulative over-recovery against regulated entitlement was £2.3m (31 March 2012 - £13.0m cumulative under-recovery). The over/(under)-recovery of regulated entitlement reflects the phasing of tariffs.

Operating costs

Operating costs (pre exceptional items) include energy costs, employee costs, depreciation and amortisation and other operating charges.

Energy costs include the cost of wholesale energy purchases from the SEM pool, capacity payments made to the SEM, the cost of natural gas and natural gas capacity costs for the Huntstown plants, emissions costs, use of system charges and costs for third party renewable PPAs. Employee costs include salaries, social security costs and pension costs. Other operating charges include costs such as operating and maintenance costs, insurance, local business taxes, consultancy, marketing, licence fees and IT services.

Second Quarter 2013

Operating costs (pre exceptional items) for Second Quarter 2013 decreased to £335.4m (2012 - £380.5m).

Energy costs for Second Quarter 2013 decreased to £310.9m (2012 - £354.6m) primarily reflecting the impact of foreign exchange translation (with the strengthening of Sterling to Euro compared to the same period last year) together with the impact of lower Huntstown plant utilisations, the expiry of contracts with PPB relating to 180MW of generating capacity at Ballylumford on 31 March 2012, lower availability and lower utilisation of the plant under contract to PPB, lower electricity unit sales at Power NI and lower electricity and gas unit sales at Energia partly offset by higher emissions costs due to the reduced sale of carbon allowances to match the exceptional carbon revenue levy and increased renewable PPA costs with the increase in renewable capacity offsetting the reduction in wind factors.

Employee costs for Second Quarter 2013 remained flat at £5.2m (2012 – £5.2m).

Depreciation and amortisation for Second Quarter 2013 decreased to £4.9m (2012 – £6.4m). Excluding renewable assets, depreciation and amortisation for Second Quarter 2013 decreased to £4.9m (2012 – £5.8m) primarily due to the timing of Huntstown plant outages and the accelerated depreciation on replaced fixed assets at Huntstown in 2012 partly offset by the commencement of depreciation for Power NI assets relating to the billing IT project which was implemented in May 2012.

Other operating charges for Second Quarter 2013 increased to £14.4m (2012 - £14.3m) primarily due to higher operating and maintenance costs incurred by the Huntstown plant associated with the timing of Huntstown 1's planned outage in Second Quarter 2013 and increased costs in Power NI arising from additional resources required on the implementation of the billing IT project partly offset by the impact of foreign exchange translation (with the strengthening of Sterling to Euro compared to the same period last year).

First Half 2013

Operating costs (pre exceptional items) for First Half 2013 decreased to £676.9m (2012 - £761.0m).

Energy costs for First Half 2013 decreased to £630.4m (2012 - £711.5m) primarily for the same reasons noted above for Second Quarter 2013.

Employee costs for First Half 2013 increased to £10.4m (2012 - £10.0m) reflecting higher staff numbers, primarily as a result of in-sourcing of functions to Power NI partly offset by the impact of foreign exchange translation.

Depreciation and amortisation for First Half 2013 decreased to £9.4m (2012 - £12.5m). Excluding renewable assets, depreciation and amortisation for First Half 2013 decreased to £9.4m (2012 – £11.3m) primarily for the same reasons noted above for Second Quarter 2013.

Other operating charges for First Half 2013 decreased to £26.7m (2012 - £27.0m) primarily for the same reasons noted above for Second Quarter 2013.

Group operating profit (pre exceptional items and goodwill amortisation)

	Second Quarter 2013 £m	Second Quarter 2012 £m	**First Half 2013 £m**	First Half 2012 £m	Year end 31 March 2012 £m
Energia Group operating profit (pre exceptional items)[1]	**15.1**	19.0	**29.1**	33.4	66.9
Power NI Energy pro-forma operating profit (pre exceptional items)[2]	**5.4**	7.0	**11.2**	12.0	25.3
Other	**(1.5)**	(1.4)	**(1.5)**	(1.4)	(2.9)
Group pro-forma operating profit (pre exceptional items)	**19.0**	24.6	**38.8**	44.0	89.3
Over/ (under)-recovery of regulated entitlement [2]	**5.5**	(5.8)	**15.3**	(7.3)	(14.6)
Operating profit (pre exceptional items)	**24.5**	18.8	**54.1**	36.7	74.7

[1] Includes operating profit from renewable windfarm assets Second Quarter 2013 £nil (Second Quarter 2012 £0.3m) and First Half 2013 £nil (First Half 2012 £0.7m) ; year ended 31 March 2012 £2.9m.
[2]*As shown in note 2 to the interim accounts*

Second Quarter 2013

Operating profit from continuing operations (pre goodwill amortisation and exceptional items) for Second Quarter 2013 increased to £24.5m (2012 - £18.8m) reflecting a decrease in Group pro-forma operating profit (pre-exceptional items and goodwill amortisation) to £19.0m (2012 - £24.6m) offset by an over-recovery of regulated entitlement of £5.5m (2012 - under-recovery of £5.8m).

Group pro-forma operating profit (pre-exceptional items and goodwill amortisation) for Second Quarter 2013 decreased to £19.0m (2012 - £24.6m) reflecting a decrease in Energia Group operating profit from £19.0m to £15.1m and a decrease in Power NI Energy pro-forma operating profit from £7.0m to £5.4m.

Energia Group operating profit (pre exceptional items) for Second Quarter 2013 decreased to £15.1m (2012 - £19.0m). Excluding operating profit from renewable wind farm assets of £nil (2012 - £0.3m) Energia Group operating profit (pre exceptional items) decreased to £15.1m (2012 - £18.7m) reflecting the reduction in EBITDA outlined below partly offset by the reduction in depreciation and amortisation outlined previously.

Power NI Energy pro-forma operating profit for Second Quarter 2013 decreased to £5.4m (2012 - £7.0m). Power NI pro-forma operating profit decreased to £4.0m (2012 - £5.0m) reflecting lower regulated entitlement due to the reduction in customer numbers, higher operating costs arising from additional resources required on the implementation of its new billing system together with a higher depreciation charge partially offset by both an increase in regulated entitlement associated with the allowed regulated return on the new billing system assets following conclusion of the billing IT project which went live in May 12 and higher small scale renewable PPA gross margins.

PPB pro-forma operating profit decreased to £1.4m (2012 - £2.0m) due to the phasing of regulated entitlement in 2012 and the impact of the new price control effective from 1 April 2012 with reduced entitlement associated with the cancellation of the Kilroot contract in November 2010 and Ballylumford contract in March 2012.

First Half 2013

Operating profit from continuing operations (pre goodwill amortisation and exceptional items) for First Half 2013 increased to £54.1m (2012 - £36.7m) reflecting a decrease in Group pro-forma operating profit (pre-exceptional items and goodwill amortisation) to £38.8m (2012 - £44.0m) offset by an over-recovery of regulated entitlement of £15.3m (2012 - under-recovery of £7.3m)

Group pro-forma operating profit (pre-exceptional items and goodwill amortisation) for First Half 2013 decreased to £38.8m (2012 - £44.0m) reflecting a decrease in Energia Group operating profit from £33.4m to £29.1m and a decrease in Power NI Energy pro-forma operating profit from £12.0m to £11.2m.

Energia Group operating profit (pre exceptional items) for First Half 2013 decreased to £29.1m (2012 - £33.4m). Excluding operating profit from renewable wind farm assets of £nil (2012 - £0.7m) Energia Group operating profit (pre exceptional items) decreased to £29.1m (2012 - £32.7m) reflecting the reduction in EBITDA outlined below partly offset by the reduction in depreciation and amortisation outlined previously.

Power NI Energy pro-forma operating profit for First Half 2013 decreased to £11.2m (2012 - £12.0m) as a result of a decrease in Power NI pro-forma operating profit to £8.5m (2012 - £9.0m) together with a decrease in PPB pro-forma operating profit to £2.7m (2012 - £3.0m) reflecting the reasons noted above for Second Quarter 2013.

Group pro-forma EBITDA

	Second Quarter 2013 £m	Second Quarter 2012 £m	**First Half 2013 £m**	First Half 2012 £m	Year end 31 March 2012 £m
Energia Group (pre exceptional items)[1]	**19.3**	25.4	**37.6**	45.9	91.3
Power NI Energy [2]	**6.1**	7.0	**12.1**	12.0	25.3
Other	**(1.5)**	(1.4)	**(1.5)**	(1.4)	(2.9)
	23.9	31.0	**48.2**	56.5	113.7

[1]As shown in note 2 to the accounts. Includes EBITDA from renewable windfarm assets Second Quarter 2013 £nil (2012 £0.9m); First Half 2013 £nil (2012 - £1.8m); year ended 31 March 2012 £5.4m
[2]As shown in note 2 to the accounts

Second Quarter 2013

Group pro-forma EBITDA (pre exceptional items) for Second Quarter 2013 reduced to £23.9m (2012 - £31.0m) due to a decrease in pro-forma EBITDA at Energia Group together with a decrease in EBITDA at Power NI Energy. Excluding EBITDA from renewable wind farm assets for Second Quarter 2013 of £nil (2012 - £0.9m) Group pro-forma EBITDA (pre exceptional items) reduced to £23.9m (2012 - £30.1m).

Energia Group EBITDA (pre exceptional items) for Second Quarter 2013 reduced to £19.3m (2012 - £25.4m). Excluding EBITDA from renewable wind farm assets for Second Quarter 2013 of £nil (2012 - £0.9m) Energia Group EBITDA (pre exceptional items) reduced to £19.3m (2012 - £24.5m) primarily as a result of an adverse impact of foreign exchange translation reflecting the strengthening of Sterling to Euro during the period compared to the same period last year, the lower sale of carbon allowances to match the exceptional carbon revenue levy, lower plant availability associated with the timing of outages (together with higher operating and maintenance costs), lower Huntstown plant utilisations, and lower renewable wind factors and wholesale prices (including ROC prices). This was partly offset by higher electricity retail margins and increased renewable capacity.

Power NI Energy pro-forma EBITDA for Second Quarter 2013 decreased to £6.1m (2012 - £7.0m) reflecting a decrease in Power NI pro-forma EBITDA to £4.7m (2012 - £5.0m) and a decrease in PPB pro-forma EBITDA to £1.4m (2012 - £2.0m) for the same reasons as described above for the increase in pro-forma operating profit.

First Half 2013

Group pro-forma EBITDA (pre exceptional items) for First Half 2013 reduced to £48.2m (2012 - £56.5m) due to a decrease in pro-forma EBITDA at Energia Group and an increase in EBITDA at Power NI Energy. Excluding EBITDA from renewable wind farm assets for First Half 2013 of £nil (2012 - £1.8m) Group pro-forma EBITDA (pre exceptional items) reduced to £48.2m (2012 - £54.7m).

Energia Group EBITDA (pre exceptional items) for First Half 2013 reduced to £37.6m (2012 - £45.9m). Excluding EBITDA from renewable wind farm assets for First Half 2013 of £nil (2012 - £1.8m) Energia Group EBITDA (pre exceptional items) reduced to £37.6m (2012 - £44.1m) primarily as a result of the adverse impact of foreign exchange translation reflecting the strengthening of Sterling to Euro during the period compared to the same period last year and lower sale of carbon allowances to match the exceptional carbon revenue levy. Lower Huntstown plant utilisations, lower renewable wind factors and wholesale prices (including lower ROC prices) were partly offset by higher electricity retail margins, higher availability of the Huntstown plant (together with lower operating and maintenance costs) and increased renewable capacity.

Power NI Energy pro-forma EBITDA for First Half 2013 increased to £12.1m (2012 - £12.0m) reflecting an increase in Power NI pro-forma EBITDA to £9.4m (2012 - £9.0m) and a decrease in PPB pro-forma EBITDA to £2.7m

(2012 - £3.0m) for the same reasons as described above for the increase in pro-forma operating profit.

Exceptional operating costs

Exceptional costs from continuing operations for Second Quarter 2013 were £nil (2012 - £2.9m) and for First Half 2013 were £0.6m (2012 - £6.1m). Exceptional costs comprised carbon revenue levy costs. The levy was scheduled to run to 31 December 2012 however the RoI government repealed the legislation enabling the levy and the levy ended on 25 May 2012.

Net finance costs

Net finance costs for Second Quarter 2013 increased to £23.4m (2012 - £13.6m) and net finance costs for First Half 2013 increased to £49.3m (2012 - £25.3m) primarily reflecting the higher interest cost of the senior secured notes issued in March 2012.

Tax charge

The total tax credit for Second Quarter 2013 was £0.3m (2012 – tax charge £0.7m) and the total tax charge for First Half 2013 was £0.8m (2012 - £0.5m).

Cash flow

Cash flow before interest and tax

Group cash flow before interest and tax of continuing operations is summarised in the following table:

	Second Quarter 2013 £m	Second Quarter 2012 £m	**First Half 2013 £m**	First Half 2012 £m	Year end 31 March 2012 £m
Group pro-forma EBITDA (1)	**23.9**	31.0	**48.2**	56.5	113.7
Defined benefit pension charge less contributions paid	**-**	-	**-**	0.1	(1.0)
Net movement in security deposits	**1.4**	(32.2)	**37.4**	(35.0)	(34.3)
Changes in working capital (2)	**20.7**	16.2	**5.1**	27.5	24.6
Over/(under)-recovery of regulated entitlement	**5.5**	(5.8)	**15.3**	(7.3)	(14.6)
Foreign exchange translation benefit/(loss)	**0.3**	0.4	**1.0**	(0.4)	1.7
Exceptional cash outflows	**(0.6)**	(3.3)	**(1.8)**	(6.7)	(11.1)
Cash flow from operating activities of continuing operations	**51.2**	6.3	**105.2**	34.7	79.0
Gross capital expenditure used in continuing operations (3)	**(2.7)**	(9.5)	**(4.9)**	(19.9)	(50.8)
Proceeds from sale and purchases of other intangibles	**2.0**	5.2	**14.2**	18.7	1.1
Cash flow before interest, acquisitions and disposals and tax of continuing operations	**50.5**	2.0	**114.5**	33.5	29.3

(1) Includes EBITDA of renewable wind farm assets for First Quarter 2013 £nil (2012 - £0.9m); First Half 2013 £nil (2012 - £1.8m); year ended 31 March 2012 £5.4m
(2) Includes working capital of renewable wind farm assets for Second Quarter 2013 £0.5m increase (2012 - £0.5m increase); First Half 2013 £0.5m increase (2012 - £0.2m increase); year ended 31 March 2012 £4.4m decrease
(3) Includes capital expenditure on renewable wind farm assets for Second Quarter 2013 £0.5m (2012 - £6.5m); First Half 2013 £0.8m (2012 - £15.2m); year ended 31 March 2012 £40.4m

The cash flows for the comparative periods include the cash flows of Energia Group's windfarm assets up to the date of disposal of those assets on 14 March 2012.

Group cash flow from operating activities for Second Quarter 2013 increased to £51.2m (2012 - £6.3m) primarily reflecting a cash inflow from the return of security deposits £1.4m (2012 - cash outflow £32.2m), the over-recovery of regulated entitlement £5.5m (2012 - under-recovery of £5.8m) and a decrease in working capital of £20.7m (2012 – a decrease of £16.2m).

Group cash flow from operating activities for First Half 2013 increased to £105.2m (2012 - £32.9m) primarily reflecting a cash inflow from the return of security deposits £37.4m (2012 - cash outflow £35.0m) and the over-recovery of regulated entitlement £15.3m (2012 - under-recovery of £7.3m) partly offset by a decrease in working capital of £5.1m (2012 – a decrease of £25.7m).

Net movement in security deposits

The net movement in security deposits for Second Quarter 2013 was an inflow of £1.4m (2012 – outflow of £32.2m) and for First Half 2013 was an inflow of £37.4m (2012 – outflow of £35.0m) as a result of the replacement of cash security deposits with letters of credit following the refinancing of the Group in March 2012. As at 30 September 2012 there were £1.7m of security deposits in place.

Changes in working capital

Working capital consists of stocks plus trade and other debtors primarily retail energy sales (including unbilled consumption), wholesale energy sales, capacity payment income and ROC sales), prepayments and accrued income less trade and other creditors (primarily wholesale energy costs, capacity payments, natural gas and fixed natural gas capacity costs, renewable PPA costs, ROC costs, emission costs and use of system charges), payments received on account, accruals and tax and social security.

Second Quarter 2013

Working capital decreased by £20.7m in Second Quarter 2013 due to decreases in the working capital requirements of the Energia Group, Power NI Energy and other Viridian holding companies.

Energia Group working capital decreased by £10.3m in Second Quarter 2013. Excluding changes in the working capital of renewable wind farm assets, Energia working capital decreased by £10.8m primarily due to an increase in trade creditors and accruals (reflecting the seasonal increase in electricity and gas purchase volumes, higher gas creditors reflecting higher utilisation for both plant in September 2012 relative to June 2012 net of the impact of the 2 day outage of Huntstown 1 at the end of September 2012 partly offset by lower ROC creditors associated with lower ROC sales in September 2012 relative to June 2012), an increase in trade debtors and accrued income (reflecting the seasonal increase in electricity and gas sales volumes together with increased renewable PPA debtors (with higher wind output in September 2012 relative to June 2012) and higher SEM accrued income associated with higher utilisation of both plant net of the impact of the 2 day outage for Huntstown 1 partly offset by the reduction in ROC sales in September 2012 relative to June 2012) and the annual settlement of the 2012 renewable obligation.

Working capital at Power NI Energy decreased by £8.7m in Second Quarter 2013 primarily due to a reduction in Power NI trade debtors (due to the reduction in sales volumes together with a reduction in debtor days), an increase in payments received on account and a reduction in PPB accrued income associated with plant outages and lower plant output. This was partly offset by lower energy and use of system creditors in Power NI (associated with the reduction in sales volumes) and PPB (associated with plant outages and lower plant output) together with the annual settlement of the 2012 renewable obligation.

Working capital at other Viridian holding companies decreased by £1.7m in Second Quarter 2013 primarily due to the bi-annual increase in accrued management fees payable to Arcapita.

Second Quarter 2012

Working capital decreased by £16.2m in Second Quarter 2012 due to decreases in the working capital requirements of the Energia Group, Power NI Energy and other Viridian holding companies.

Energia Group working capital decreased by £1.3m in Second Quarter 2012. Excluding changes in the working capital of renewable wind farm assets, Energia working capital decreased by £1.8m primarily due to a decrease in trade debtors and accrued income (reflecting a reduction in debtor days, lower plant utilisations and lower ROC sales in September 2011 relative to June 2011 partly offset by the seasonal increase in electricity and gas sales volumes together with increased renewable PPA debtors (with higher wind output and additional capacity commissioned in September 2011 relative to June 2011) and higher SEM income associated with increased Huntstown availability) together with an increase in the emissions liability reflecting an additional 3 months utilisation and the sale of carbon allowances to match the exceptional carbon levy partly offset by a decrease in trade creditors and accruals (reflecting lower gas creditors associated with lower plant utilisations, lower ROC creditors associated with lower ROC sales in September 2011 compared to June 2011 partly offset by the seasonal increase in electricity and gas purchase volumes) together with the annual settlement of the 2011 renewable obligation and the settlement of internal group relief corporation tax balances.

Working capital at Power NI Energy decreased by £10.9m in Second Quarter 2012 primarily due to a reduction in Power NI trade debtors (due to the reduction in sales volumes and a reduction in debtor days) partly offset with the annual settlement of the 2011 renewable obligation and the settlement of internal group relief corporation tax balances.

Working capital at other Viridian holding companies decreased by £4.0m in Second Quarter 2012 primarily due to the settlement of internal group relief corporation tax balances and the bi-annual increase in accrued management fees payable to Arcapita.

First Half 2013

Working capital decreased by £5.1m in First Half 2013 due to decreases in the working capital requirements of Power NI Energy and other Viridian holding companies partly offset by an increase in the working capital requirements of the Energia Group.

Energia Group working capital increased by £1.8m in First Half 2013. Excluding changes in the working capital of renewable wind farm assets, Energia working capital increased by £1.3m primarily due to a reduction in the emissions liability reflecting settlement of the 2011 annual compliance in April 2012, the annual settlement of the renewable obligation in September 2012 and the settlement of year end internal group relief corporation tax balances partly offset by an increase in trade creditors and accruals (reflecting higher gas creditors associated with higher availability and utilisation for both plant in September 2012 relative to March 2012 and higher renewable PPA creditors associated with higher wind output). Trade debtors and accrued income were largely unchanged with lower sales volumes offset by increases in renewable PPA debtors (with higher wind output in September 2012 relative to March 2012) and higher SEM accrued income associated with higher availability and utilisation of both plant in September 2012 relative to March 2012.

Working capital at Power NI Energy decreased by £3.5m in First Half 2013 primarily due to a reduction in Power NI trade debtors and accrued income (due to the reduction in sales together with a decrease in debtor days), lower PPB trade debtors and accrued income (with the March 2012 PSO debtor turning to a PSO creditor in September 2012 together with the impact of the Ballylumford contract expiry) and an increase in payments received on account for Power NI. This was partly offset by lower trade creditors and accruals in PPB (associated with lower power purchase costs due to the contract expiry and reduced availability payments at Ballylumford together with the annual settlement of certain PPA charges), lower energy and use of system creditors in Power NI (associated with the reduction in sales volumes), the annual settlement of the renewable obligation in September 2012 and the settlement of year end internal group relief corporation tax and pension recharge balances.

Working capital at other Viridian holding companies decreased by £3.4m in First Half 2013 primarily due to the settlement of year end internal group relief corporation tax and pension recharge balances outlined above.

First Half 2012

Working capital decreased by £27.5m in First Half 2012 due to a decrease in the working capital requirements of Power NI Energy and other Viridian holding companies partly offset by an increase in the working capital requirements of the Energia Group.

Energia Group working capital increased by £2.6m in First Half 2012. Excluding changes in the working capital of renewable wind farm assets, Energia working capital increased by £2.4m primarily due to a reduction in the emissions liability reflecting settlement of the 2010 annual compliance in April 2011, the annual settlement of the renewable obligation in September 2011, the settlement of year end internal group relief corporation tax balances and a decrease in trade creditors and accruals (reflecting lower electricity and gas purchase volumes associated with lower retail sales volumes and lower gas creditors associated with lower utilisation of both plant in September 2011 relative to March 2011) partly offset by a decrease in trade debtors and accrued income (reflecting lower electricity and gas sales volumes together with lower debtor days partly offset by an increase in ROC debtors due to higher ROC sales in September 2011 compared to March 2011 together with increased renewable PPA debtors due to higher wind output and additional capacity commissioned in September 2011 relative to March 2011).

Working capital at Power NI Energy decreased by £22.4m in First Half 2012 primarily due to a reduction in Power NI trade debtors and accrued income (due to a reduction in sales volumes and a decrease in debtor days), lower PPB trade debtors and accrued income (with the March 2011 PSO debtor turning to a PSO creditor in September 2011 together with lower plant utilisation) and lower VAT debtors partly offset by lower trade creditors and accruals in PPB (associated with the annual settlement of certain PPA charges and lower plant utilisation), lower energy and use of system creditors in Power NI (associated with the reduction in sales volumes), the annual settlement of the renewable obligation in September 2011 together with the settlement of year end internal pension recharge and group relief corporation tax balances.

Working capital at other Viridian holding companies decreased by £7.7m in First Half 2012 primarily due to the settlement of year end internal group balances in respect of the annual recharge of pension costs, and the group relief corporation tax and balances outstanding with Viridian Group Holdings Limited together with an increase in accruals relating to timing differences in the payment of management fees to Arcapita.

(Under)/over-recovery of regulated entitlement

As noted previously during Second Quarter 2013 the Power NI Energy businesses over-recovered against their regulated entitlement by £5.5m (2012 – under-recovered by £5.8m) and during First Half 2013 over-recovered by £15.3m (2012 – under-recovered by £7.3m). At 30 September 2012 the cumulative over-recovery against regulated entitlement was £2.3m. The over/(under)-recovery of regulated entitlement reflects the phasing of tariffs.

Exceptional cash outflows

Exceptional cash outflows during Second Quarter 2013 of £0.6m (2012 - £3.3m) and during First Half 2013 of £1.8m (2012 - £6.7m) consisted of payments made in respect of the RoI carbon revenue levy.

Capital expenditure used in continuing operations

Gross capital expenditure in respect of tangible fixed assets and intangible software assets used in continuing operations for Second Quarter 2013 decreased to £2.7m (2012 - £9.5m) and for First Half 2013 decreased to £4.9m (2012 - £19.9m). Excluding capital expenditure on renewable wind farm assets, gross capital expenditure for Second Quarter 2013 decreased to £2.2m (2012 - £3.0m) and for First Half 2013 decreased to £4.1m (2012 - £4.7m).

Gross capital expenditure at Energia Group (excluding capital expenditure on renewable wind farm assets) for Second Quarter 2013 decreased to £0.5m (2012 - £1.0m) and for First Half 2013 decreased to £1.4m (2012 - £2.1m).

Gross capital expenditure at Power NI for Second Quarter 2013 decreased to £1.7m (2012 - £2.0m) and for First Half 2013 increased to £2.7m (2012 - £2.6m) reflecting expenditure on the IT billing project system with go-live achieved in May 2012.

Other cash flows

Net interest paid

Net interest paid (excluding issue costs on new long-term loans and exceptional finance costs) for Second Quarter 2013 increased to £27.9m (2012 - £7.8m) reflecting the first bi-annual payment of interest on the senior secured notes in September 2012 partially offset by interest on the shareholder loan now being capitalised together with a reduction in swap interest due to the close out of the swaps as part of the refinancing of the Group.

Net interest paid (excluding issue costs on new long-term loans and exceptional finance costs) for First Half 2013 increased to £28.5m (2012 - £19.7m) reflecting the higher interest cost of the senior secured notes.

Dividends

No equity interim dividends were paid during Second Quarter 2013 (2012 - £nil) or First Half 2013 (2012 - £nil).

Net debt

The Group Cash Flow Statement shows a reduction in net debt during Second Quarter 2013 of £30.3m from £670.3m at 30 June 2012 to £640.0m at 30 September 2012 and a reduction during First Half 2013 of £61.7m from £701.7m at 31 March 2012 to £640.0m at 30 September 2012 primarily reflecting the cash flows noted above.

Defined benefit pension liability

The pension liability in the Group's defined benefit scheme under FRS 17 Retirement Benefits increased from a deficit of £1.3m net of deferred tax at 30

June 2012 (£0.4m at 31 March 2012) to a deficit of £1.5m net of deferred tax at 30 September 2012.

The trustees' actuarial valuation of the Viridian Group Pension Scheme as at 31 March 2012 commenced during the period. The outcome of the actuarial valuation and the impact on employer contributions is expected within 15 months of the valuation date.

Treasury

The Group's treasury function manages liquidity, funding, investment and the Group's financial risk, including risk from volatility in currency, interest rates, commodity prices and counterparty credit risk. The treasury function's objective is to manage risk at optimum cost in line with Group policies and procedures approved by the Board. The treasury function employs a continuous forecasting and monitoring process to manage risk and to ensure that the Group complies with its financial and operating covenants.

An analysis of the Group's net debt is as follows:

	As at 30 September 2012 £m	As at 30 September 2011 £m	As at 31 March 2012 £m
Investments	**53.5**	162.8	26.6
Cash	**6.8**	14.5	8.8
Junior bank facility asset	**332.3**	-	336.9
Senior secured notes	**(372.0)**	-	(380.9)
Senior revolving credit facility	**-**	-	(55.0)
Subordinated shareholder loan	**(658.6)**	(547.8)	(634.7)
Interest accruals	**(2.0)**	(1.5)	(3.4)
Loan receivable from fellow subsidiary	**-**	114.9	-
Loan notes	**-**	(10.7)	-
Project financed bank facilities	**-**	(48.9)	-
Senior bank facility	**-**	(450.2)	-
Net Debt	**(640.0)**	**(766.9)**	**(701.7)**

The Group can have significant movements in its liquidity position due to working capital variations such as the movements in commodity prices, the seasonal nature of the business and regulatory under-recoveries. Short term liquidity is reviewed daily by the treasury function and Group cash forecasts, covering a rolling one year period, are reviewed monthly. This monitoring includes reviewing the Net Debt to EBITDA financial covenant, required to be reported quarterly under the Senior Revolving Credit Facility (SRCF), to ensure sufficient headroom is maintained.

At 30 September 2012 the Group had cash drawings under the SRCF of £nil (30 June 2012 - £8.0m; 31 March 2012 - £55.0m) and letters of credit issued out of the SRCF of £100.5m (30 June 2012 - £105.4m; 31 March 2012 -

£87.6m) resulting in undrawn committed facilities of £124.5m (30 June 2012 - £111.6m; 31 March 2012 - £82.4m).

There have been no significant changes in the Group's exposure to interest rate, foreign currency, commodity and credit risks. A discussion of these risks can be found on pages 30 – 32 of the Group's annual report and accounts for the year ended 31 March 2012.

GROUP PROFIT AND LOSS ACCOUNT

	Second Quarter 2013 Unaudited £m	Second Quarter 2012 Unaudited £m	**First Half 2013 Unaudited £m**	First Half 2012 Unaudited £m	Year ended 31 March 2012 Audited £m
GROUP TURNOVER	**359.9**	399.3	**731.0**	797.7	1,731.0
Operating costs	**(335.4)**	(380.5)	**(676.9)**	(761.0)	(1,656.3)
Exceptional Operating Costs	**-**	(2.9)	**(0.6)**	(6.1)	(9.1)
Operating profit before goodwill amortisation	**24.5**	15.9	**53.5**	30.6	65.6
Goodwill amortisation	**(8.1)**	(8.4)	**(16.2)**	(16.8)	(35.8)
GROUP OPERATING PROFIT	**16.4**	7.5	**37.3**	13.8	29.8
Share of operating profit in associates	**0.3**	-	**0.4**	-	-
Amortisation of goodwill in associates	**(0.1)**	-	**(0.2)**	-	-
TOTAL OPERATING PROFIT: GROUP & SHARE OF ASSOCIATES	**16.6**	7.5	**37.5**	13.8	29.8
Profit on disposal of continuing operations	**-**	-	**0.4**	-	11.0
PROFT ON ORDINARY ACTIVITIES BEFORE INTEREST & TAX	**16.6**	7.5	**37.9**	13.8	40.8
Net interest payable	**(23.4)**	(13.6)	**(49.3)**	(25.3)	(54.0)
Exceptional finance costs	**-**	-	**-**	(14.0)	(58.4)
	(23.4)	(13.6)	**(49.3)**	(39.3)	(112.4)
LOSS ON ORDINARY ACTIVITIES BEFORE TAX	**(6.8)**	(6.1)	**(11.4)**	(25.5)	(71.6)
Tax credit/(charge) on loss on ordinary activities	**0.3**	(0.6)	**(0.8)**	(0.5)	4.0
LOSS FOR THE FINANCIAL PERIOD	**(6.5)**	(6.7)	**(12.2)**	(26.0)	(67.6)

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Second Quarter 2013 Unaudited £m	Second Quarter 2012 Unaudited £m	**First Half 2013 Unaudited £m**	First Half 2012 Unaudited £m	Year ended 31 March 2012 Audited £m
Loss for the financial period:					
Group	**(6.2)**	(6.7)	**(11.3)**	(26.0)	(67.6)
Associates	**(0.3)**	-	**(0.9)**	-	-
	(6.5)	(6.7)	**(12.2)**	(26.0)	(67.6)
Exchange difference on retranslation of foreign subsidiaries	**4.3**	13.8	**12.8**	7.7	17.0
Exchange difference on loan hedged against foreign subsidiary	**(3.6)**	(14.1)	**(11.1)**	(6.5)	(14.2)
Actuarial loss on pension scheme assets and liabilities	**(0.2)**	(1.4)	**(1.5)**	(1.7)	(0.4)
Deferred tax credit on actuarial loss on pension scheme assets and liabilities	**0.1**	0.3	**0.4**	0.4	0.1
Total recognised (losses)/gains relating to the period	**(5.9)**	(8.1)	**(11.6)**	(26.1)	(65.1)

GROUP BALANCE SHEET

	Note	**As at 30 September 2012 Unaudited £m**	As at 30 September 2011 Unaudited £m	As at 31 March 2012 Audited £m
Fixed assets				
Intangible assets		**483.6**	530.1	514.9
Tangible assets		**282.5**	394.5	301.6
Investment in associates	9	**9.5**	-	-
Other investment	9	**333.0**	0.9	337.6
		1,108.6	925.5	1,154.1
Current assets				
Stocks		**9.6**	10.4	9.8
Debtors - due within one year	10	**152.5**	195.8	211.7
- due after more than one year		**-**	114.9	-
Investments		**53.5**	162.8	26.6
Cash at bank and in hand		**6.8**	14.5	8.8
		222.4	498.4	256.9
Creditors (amounts falling due within one year)	11	**(230.9)**	(699.7)	(311.8)
Net current liabilities		**(8.5)**	(201.3)	(54.9)
Total assets less current liabilities		**1,100.1**	724.2	1,099.2
Creditors (amounts falling due after more than one year):				
External borrowings		**(372.0)**	(46.2)	(380.9)
Subordinated shareholder loan		**(658.6)**	(547.8)	(634.7)
		(1,030.6)	(594.0)	(1,015.6)
Provisions for liabilities and charges		**(10.3)**	(10.4)	(10.7)
Deferred taxation		**(10.1)**	(19.4)	(13.3)
Deferred income		**-**	(0.2)	-
Net assets excluding pension liability		**49.1**	100.2	59.6
Defined benefit pension liability		**(1.5)**	(2.0)	(0.4)
NET ASSETS		**47.6**	98.2	59.2
Equity				
Called up share capital		**-**	-	-
Share premium		**510.0**	510.0	510.0
Profit and loss account		**(462.4)**	(411.8)	(450.8)
TOTAL EQUITY		**47.6**	98.2	59.2

The interim accounts were approved by the Board of directors and authorised for issue on 25 November 2012. They were signed on its behalf by:

Mohammed Chowdhury

Director
Date: 25 November 2012

GROUP CASH FLOW STATEMENT

	Note	Second Quarter 2013 Unaudited £m	Second Quarter 2012 Unaudited £m	First Half 2013 Unaudited £m	First Half 2012 Unaudited £m	Year Ended 31 March 2012 Audited £m
Cash flow from operating activities	14	**51.2**	6.3	**105.2**	34.7	79.0
Returns on investments and servicing of finance						
Interest received		**0.1**	0.3	**0.2**	1.2	4.1
Interest paid		**(28.0)**	(8.1)	**(28.7)**	(20.9)	(55.6)
Issue costs on new long-term loans		**(1.4)**	(3.2)	**(4.1)**	(4.5)	(22.0)
Exceptional finance costs		-	-	**(0.2)**	(14.0)	(57.2)
		(29.3)	(11.0)	**(32.8)**	(38.2)	(130.7)
Taxation		**0.1**	(0.7)	**0.1**	(1.0)	(0.8)
Capital expenditure and financial investment						
Purchase of tangible fixed assets		**(1.0)**	(7.2)	**(2.2)**	(16.4)	(43.7)
Purchase of intangible assets		**(8.4)**	(1.6)	**(10.4)**	(4.2)	(30.1)
Proceeds from disposal of intangible assets		**8.7**	4.5	**21.9**	19.4	24.1
		(0.7)	(4.3)	**9.3**	(1.2)	(49.7)
Acquisitions and disposals						
Sale of subsidiary undertaking		**(0.2)**	(1.3)	**(1.0)**	(1.8)	(4.1)
Net cash disposed of with subsidiary undertaking		**-**	-	**-**	-	(18.0)
		(0.2)	(1.3)	**(1.0)**	(1.8)	(22.1)
Cash inflow/(outflow) before use of liquid resources and financing		**21.1**	(11.0)	**80.8**	(7.5)	(124.3)
Management of liquid resources						
(Increase)/decrease in bank deposits		**(12.9)**	5.6	**(27.6)**	(118.1)	14.7
		(12.9)	5.6	**(27.6)**	(118.1)	14.7
Financing						
Receipts from loans		**-**	7.2	**-**	131.9	569.0
Repayment of loans		**(8.0)**	-	**(55.0)**	(5.7)	(466.4)
		(8.0)	7.2	**(55.0)**	126.2	102.6
Decrease in cash in the period		**0.2**	1.8	**(1.8)**	0.6	(6.9)
Reconciliation of net cash flow to movement in net debt						
Increase/(decrease) in cash in the period		**0.2**	1.8	**(1.8)**	0.6	(6.9)
Cash outflow/(inflow) from movement in net loans		**8.0**	(7.2)	**55.0**	(126.2)	(102.6)
Cash outflow/(inflow) from movement in liquid resources		**12.9**	(5.6)	**27.6**	118.1	(14.7)
Change in net debt resulting from cash flows		**21.1**	(11.0)	**80.8**	(7.5)	(124.2)
Disposal of subsidiaries		**-**	-	**-**	-	141.7
Capitalisation of interest on shareholder loan		**(5.8)**	-	**(11.7)**	-	-
Decrease in interest accruals		**14.5**	(4.7)	**1.4**	(4.7)	0.6
Amortisation of financing charges		**(1.2)**	(0.3)	**(2.0)**	(0.4)	(1.4)
Issue costs on new loans included in net debt		**-**	-	**-**	-	26.0
Acquisition of subsidiary		**-**	-	**-**	-	-
Renewables restructuring		**-**	-	**(12.3)**	-	-
Interest accrued extinguished on acquisition of subsidiary		**-**	-	**-**	-	2.8
Translation difference		**1.7**	12.2	**5.5**	7.0	14.1
Movement in net debt in the period		**30.3**	(3.8)	**61.7**	(5.6)	59.6
Net debt at beginning of period		**(670.3)**	(763.2)	**(701.7)**	(761.3)	(761.3)
Net debt at end of period		**(640.0)**	(766.9)	**(640.0)**	(766.9)	(701.7)

1. Basis of Preparation

The interim accounts for the three months ended 30 September 2012 have been prepared in accordance with the Accounting Standards Board (ASB) Statement "Half-Yearly" Financial Reports.

The interim accounts consolidate the results of the Company and its subsidiary undertakings (the Group).

The interim accounts have been prepared on the basis of the accounting policies set out in the accounts for the year ended 31 March 2012.

The interim accounts have not been audited or reviewed by auditors pursuant to the Auditing Practices Board guidance on "Review of Interim Financial Information performed by the Independent Auditor of the Entity".

The information shown for the year ended 31 March 2012 has been extracted from the Group's annual report for the year ended 31 March 2012. The report of the auditors on the accounts contained within the Group's annual report for the year ended 31 March 2012 was unqualified.

2. Segmental Information

The Group's operating businesses are organised and managed separately according to the nature of the goods and services provided as described in the Business Reviews on pages 6 to 9.

Inter-segment pricing is determined on an arm's length basis.

Turnover, profit before depreciation, amortisation, exceptional items, interest and tax, exceptional operating costs, depreciation/amortisation and operating profit/(loss) on ordinary activities before interest and tax are analysed between the businesses as follows:

	External Second Quarter 2013 Unaudited £m	**Internal Second Quarter 2013 Unaudited £m**	**Total Second Quarter 2013 Unaudited £m**	External Second Quarter 2012 Unaudited £m	Internal Second Quarter 2012 Unaudited £m	Total Second Quarter 2012 Unaudited £m
Turnover						
- Energia Group	**231.6**	**0.1**	**231.7**	248.1	0.8	248.9
- Power NI Energy	**128.3**	**-**	**128.3**	151.2	-	151.2
- Other	**-**	**-**	**-**	-	-	-
- Inter-group elimination	**-**	**(0.1)**	**(0.1)**	-	(0.8)	(0.8)
Group turnover	**359.9**	**-**	**359.9**	399.3	-	399.3

	External First Half 2013 Unaudited £m	**Internal First Half 2013 Unaudited £m**	**Total First Half 2013 Unaudited £m**	External First Half 2012 Unaudited £m	Internal First Half 2012 Unaudited £m	Total First Half 2012 Unaudited £m	External year ended 31 March 2012 Audited £m	Internal year ended 31 March 2012 Audited £m	Total year ended 31 March 2012 Audited £m
Turnover									
- Energia Group	**457.6**	**0.2**	**457.8**	489.0	1.3	490.3	1,020.1	1.5	1,021.6
- Power NI Energy	**273.4**	**-**	**273.4**	308.7	-	308.7	710.9	-	710.9
- Other	**-**	**-**	**-**	-	-	-	-	-	-
- Inter-group elimination	**-**	**(0.2)**	**(0.2)**	-	(1.3)	(1.3)	-	(1.5)	(1.5)
Group turnover	**731.0**	**-**	**731.0**	797.7	-	797.7	1,731.0	-	1,731.0

2. Segmental Information (continued)

	Second Quarter 2013 Unaudited £m	Second Quarter 2012 Unaudited £m	**First Half 2013 Unaudited £m**	First Half 2012 Unaudited £m	Year ended 31 March 2012 Audited £m
Group profit/(loss0 before depreciation, amortisation, exceptional items, interest and tax					
Energia Group	**19.3**	25.4	**37.6**	45.9	91.3
Power NI Energy	**11.6**	1.2	**27.4**	4.7	10.7
Other	**(1.5)**	(1.4)	**(1.5)**	(1.4)	(2.9)
Group profit before depreciation, amortisation, exceptional items, interest and tax	**29.4**	25.2	**63.5**	49.2	99.1
Exceptional operating costs					
Energia Group	**-**	(2.9)	**(0.6)**	(6.1)	(9.1)
Group exceptional operating costs	**-**	(2.9)	**(0.6)**	(6.1)	(9.1)
Depreciation/amortisation					
Energia Group	**(4.2)**	(6.4)	**(8.5)**	(12.5)	(24.4)
Power NI Energy	**(0.7)**	-	**(0.9)**	-	-
Group depreciation/amortisation	**(4.9)**	(6.4)	**(9.4)**	(12.5)	(24.4)
Operating profit/(loss) post exceptional operating costs					
Energia Group	**15.1**	16.1	**28.5**	27.3	57.8
Power NI Energy	**10.9**	1.2	**26.5**	4.7	10.7
Other	**(1.5)**	(1.4)	**(1.5)**	(1.4)	(2.9)
Group operating profit post exceptional operating costs	**24.5**	15.9	**53.5**	30.6	65.6
Goodwill amortisation	**(8.1)**	(8.4)	**(16.2)**	(16.8)	(35.8)
Group operating profit	**16.4**	7.5	**37.3**	13.8	29.8
Share of operating profit in associates	**0.3**	-	**0.4**	-	-
Amortisation of goodwill in associates	**(0.1)**	-	**(0.2)**	-	-
Total operating profit: Group and share of associates	**16.6**	7.5	**37.5**	13.8	29.8
Profit on disposal of continuing operations	**-**	-	**0.4**	-	11.0
Profit on ordinary activities before interest and tax	**16.6**	7.5	**37.9**	13.8	40.8
Net interest payable	**(23.4)**	(13.8)	**(49.3)**	(25.7)	(54.0)
Exceptional finance costs	**-**	-	**-**	(14.0)	(58.4)
	(23.4)	(13.8)	**(49.3)**	(39.7)	(112.4)
Loss on ordinary activities before tax	**(6.8)**	(6.3)	**(11.4)**	(25.9)	(71.6)

2. Segmental Information (continued)

In addition to the disclosures given above, the directors believe the following analysis of the Group's regulated businesses' turnover and operating profit according to regulated entitlement is relevant to understanding the Group's results:

The adjustment for over/ (under)-recovery represents the amount by which the regulated businesses over/(under)-recovered against their regulated entitlement.

Based on regulated entitlement:	**Turnover**		**Operating profit/(loss) pre exceptional operating costs**		**Profit/(loss) before depreciation, amortisation, exceptional items, interest and tax**	
	Second Quarter 2013 Unaudited £m	Second Quarter 2012 Unaudited £m	**Second Quarter 2013 Unaudited £m**	Second Quarter 2012 Unaudited £m	**Second Quarter 2013 Unaudited £m**	Second Quarter 2012 Unaudited £m
Energia Group	**231.7**	248.9	**15.1**	19.0	**19.3**	25.4
Power NI	**97.5**	107.7	**4.0**	5.0	**4.7**	5.0
Power Procurement	**25.4**	48.4	**1.4**	2.0	**1.4**	2.0
Inter-business elimination	**(0.1)**	0.9	**-**	-	**-**	-
Power NI Energy	**122.8**	157.0	**5.4**	7.0	**6.1**	7.0
Other	**-**	-	**(1.5)**	(1.4)	**(1.5)**	(1.4)
Inter-group elimination	**(0.1)**	(0.8)	**-**	-	**-**	-
	354.4	405.1	**19.0**	24.6	**23.9**	31.0
Adjustment for over/(under) -recovery	**5.5**	(5.8)	**5.5**	(5.8)	**5.5**	(5.8)
Total continuing operations	**359.9**	399.3	**24.5**	18.8	**29.4**	25.2

2. Segmental Information (continued)

Based on regulated entitlement:	**Turnover**			**Operating profit/(loss) pre exceptional operating costs**			**Profit/(loss) before depreciation, amortisation, exceptional items, interest and tax**		
	First Half 2013 Unaudited £m	First Half 2012 Unaudited £m	Year ended 31 March 2012 Audited £m	**First Half 2013 Unaudited £m**	First Half 2012 Unaudited £m	Year ended 31 March 2012 Audited £m	**First Half 2013 Unaudited £m**	First Half 2012 Unaudited £m	Year ended 31 March 2012 Audited £m
Energia Group	**457.8**	490.4	1,021.6	**29.1**	33.4	66.9	**37.6**	45.9	91.3
Power NI	**208.6**	220.3	520.8	**8.5**	9.0	19.6	**9.4**	9.0	19.6
Power Procurement	**49.7**	93.8	203.6	**2.7**	3.0	5.7	**2.7**	3.0	5.7
Inter-business elimination	**(0.2)**	2.0	1.1	**-**	-	-	**-**	-	-
Power NI Energy	**258.1**	316.1	725.5	**11.2**	12.0	25.3	**12.1**	12.0	25.3
Other	**-**	-	-	**(1.5)**	(1.4)	(2.9)	**(1.5)**	(1.4)	(2.9)
Inter-group elimination	**(0.2)**	(1.5)	(1.5)	**-**	-	-	**-**	-	-
	715.7	805.0	1,745.6	**38.8**	44.0	89.3	**48.2**	56.5	113.7
Adjustment for over/(under) - recovery	**15.3**	(7.3)	(14.6)	**15.3**	(7.3)	(14.6)	**15.3**	(7.3)	(14.6)
Total	**731.0**	797.7	1,731.0	**54.1**	36.7	74.7	**63.5**	49.2	99.1

3. Operating Costs

Operating costs are analysed as follows:

	Second Quarter 2013 Unaudited £m	Second Quarter 2012 Unaudited £m	**First Half 2013 Unaudited £m**	First Half 2012 Unaudited £m	Year ended 31 March 2012 Audited £m
Energy costs	**310.9**	354.6	**630.4**	711.5	1,556.0
Employee costs	**5.2**	5.2	**10.4**	10.0	19.9
Depreciation and amortisation	**4.9**	6.4	**9.4**	12.5	24.4
Other operating charges	**14.4**	14.3	**26.7**	27.0	56.0
Total pre exceptional	**335.4**	380.5	**676.9**	761.0	1,656.3
Exceptional costs (note 4):					
Energy costs	**-**	2.9	**0.6**	6.1	9.1
	-	2.9	**0.6**	6.1	9.1
Total	**335.4**	383.4	**677.5**	767.1	1,665.4

4. Exceptional items

	Second Quarter 2013 Unaudited £m	Second Quarter 2012 Unaudited £m	**First Half 2013 Unaudited £m**	First Half 2012 Unaudited £m	Year ended 31 March 2012 Audited £m
Recognised before arriving at operating profit:					
- Carbon revenue levy	**-**	(2.9)	**(0.6)**	(6.1)	(9.1)
- Goodwill impairment	**-**	-	**-**	-	(2.0)
	-	(2.9)	**(0.6)**	(6.1)	(11.1)
Recognised after arriving at operating profit:					
- Profit on disposal of continuing operations	**-**	-	**0.4**	-	11.0
- Exceptional finance costs	-	-	-	(14.0)	(58.4)

On 1 July 2010 the RoI Government introduced a carbon revenue levy on generators. The levy was calculated based on 65% of the volume of CO2 emitted by generators multiplied by the average price of CO2. The levy was scheduled to run to 31 December 2012 however the RoI government repealed the legislation enabling the levy and the levy ended on 25 May 2012. The exceptional impact of the carbon revenue levy on operating profit for Second Quarter 2013 was £nil (2012 - £2.9m), for First Half 2013 £0.6m (2012 - £6.1m) and for the year ended 31 March 2012 £9.1m.

Profit on disposal of continuing operations for the First Half 2013 of £0.4m relates to the sale of 25% of Eco Wind Power Limited on 15 June 2012 as outlined in note 15 to the First Quarter 2013 accounts.

Profit on disposal of continuing operations for the year ended 31 March 2012 of £11.0m, relates to the sale of 100% of Viridian Resources Limited and 50% of Eco Wind Power Limited on 14 March 2012.

Exceptional finance costs for the First Half 2012 of £14.0m, arose in respect of the close out of fixed interest rate swaps.

Exceptional finance costs for the year ended 31 March 2012 of £58.4m arose in respect of the refinancing of the Group £21.0m and the close out of fixed interest rate swaps £37.4m.

4. Exceptional items (continued)

The tax credit in the profit and loss account relating to exceptional items is:

	Second Quarter 2013 Unaudited £m	Second Quarter 2012 Unaudited £m	**First Half 2013 Unaudited £m**	First Half 2012 Unaudited £m	Year ended 31 March 2012 Audited £m
- Carbon revenue levy	**-**	0.4	**0.1**	0.8	1.1
- Exceptional finance costs	**-**	-	**-**	3.6	11.2
	-	0.4	**0.1**	4.4	12.3

5. Net Interest Payable

	Second Quarter 2013 Unaudited £m	Second Quarter 2012 Unaudited £m	**First Half 2013 Unaudited £m**	First Half 2012 Unaudited £m	Year ended 31 March 2012 Audited £m
Interest receivable					
Bank interest	**-**	0.4	**0.1**	0.7	1.1
Interest from associate	**0.2**	-	**0.2**	-	-
Loan to fellow subsidiary	**-**	2.0	**-**	3.0	6.4
	0.2	2.4	**0.3**	3.7	7.5
Interest payable					
Bank loans and borrowings	**(1.7)**	(2.8)	**(3.6)**	(5.1)	(16.6)
Senior secured notes interest	**(11.7)**	-	**(23.5)**	-	(3.2)
Interest payable to parent undertaking	**(5.8)**	(7.6)	**(11.8)**	(14.5)	(29.9)
	(19.2)	(10.4)	**(38.9)**	(19.6)	(49.7)
Less: charged to balance sheet	**-**	0.8	**-**	1.7	3.4
Interest payable charged to the profit and loss account	**(19.2)**	(9.6)	**(38.9)**	(17.9)	(46.3)
Interest rate swaps	**-**	(2.7)	**-**	(6.0)	(6.9)
Exchange on net foreign currency borrowings					
Net exchange loss on net foreign currency borrowings	**(6.2)**	(17.1)	**(18.4)**	(9.8)	(21.2)
Less: charged to the statement of total recognised gains and losses	**3.6**	14.1	**11.1**	6.5	14.2
Net exchange loss charged to the profit and loss account	**(2.6)**	(3.0)	**(7.3)**	(3.3)	(6.9)
Other finance costs					
Amortisation of financing charges	**(1.1)**	(0.1)	**(2.0)**	(0.6)	(1.4)
Unwinding of discount on decommissioning provision	**-**	(0.1)	**-**	(0.2)	(0.2)
Other finance (charges)/income	**(0.1)**	(0.5)	**(0.1)**	(1.0)	0.2
Total other finance costs	**(1.2)**	(0.7)	**(2.1)**	(1.8)	(1.4)
Group net interest payable	**(22.8)**	(13.6)	**(48.0)**	(25.3)	(54.0)
Share of associates' interest	**(0.6)**	-	**(1.3)**	-	-
Total net interest payable	**(23.4)**	(13.6)	**(49.3)**	(25.3)	(54.0)

6. Tax Credit/(charge)

	Second Quarter 2013 Unaudited £m	Second Quarter 2012 Unaudited £m	**First Half 2013 Unaudited £m**	First Half 2012 Unaudited £m	Year ended 31 March 2012 Audited £m
Tax on profit on ordinary activities					
Current tax credit/(charge)					
Corporation tax	**(0.9)**	(0.6)	**(3.3)**	(1.0)	-
Corporation tax over provided in previous years	**-**	-	**-**	-	0.4
	(0.9)	(0.6)	**(3.3)**	(1.0)	0.4
Deferred tax credit/(charge)					
Origination and reversal of timing differences in current year	**1.2**	(0.1)	**2.3**	0.5	1.5
Origination and reversal of timing differences in prior year	**-**	-	**0.2**	-	2.4
Effect of decreased rate on opening liability	**-**	-	**-**	-	(0.3)
	0.3	(0.1)	**2.5**	(0.5)	3.6
	0.3	(0.7)	**(0.8)**	(0.5)	4.0

The effective tax rate in the period is based on an estimate of the likely tax charge for the year in each jurisdiction expressed as a percentage of the results expected to arise in each tax jurisdiction for that year.

Deferred tax has been calculated at 23% as at 30 September 2012 reflecting HMRC enactment in July 2012, of a reduction in the corporation tax rate effective from 6 April 2013.

7. Dividends

No interim dividend has been paid or proposed for Second Quarter 2013 (2012 - £nil) or First Half 2013 (2012 – nil). No dividends were paid or proposed for the year ended 31 March 2012.

8. Capital Expenditure

	Second Quarter 2013 Unaudited £m	Second Quarter 2012 Unaudited £m	**First Half 2013 Unaudited £m**	First Half 2012 Unaudited £m	Year ended 31 March 2012 Audited £m
Continuing operations:					
Property, plant & equipment	**1.0**	7.2	2.2	16.4	43.7
Intangible assets – computer software	**1.7**	2.3	2.7	3.5	7.1
	2.7	9.5	4.9	19.9	50.8

9. Investments

	As at 30 September 2012 Unaudited £m	As at 30 September 2011 Unaudited £m	As at 31 March 2012 Audited £m
Investment in associate undertakings	**9.5**	-	-
Investment in parent undertaking's Junior bank facility	**332.3**	-	336.9
Other investment	**0.7**	0.9	0.7
Total other investment	**333.0**	0.9	337.6

10. Debtors

	As at 30 September 2012 Unaudited £m	As at 30 September 2011 Unaudited £m	As at 31 March 2012 Audited £m
Amounts falling due within one year:			
Trade debtors (including unbilled consumption)	**135.4**	124.1	154.5
Other amounts owed by fellow group undertaking	**-**	-	0.2
Prepayments and accrued income	**14.1**	25.7	15.2
Security deposits	**1.7**	38.9	38.2
Other debtors	**1.3**	7.1	3.6
	152.5	195.8	211.7
Amounts falling due after more than one year:			
Loan receivable from fellow subsidiary	**-**	114.9	-

11. Creditors

	As at 30 September 2012 Unaudited £m	As at 30 September 2011 Unaudited £m	As at 31 March 2012 Audited £m
Amounts falling due within one year:			
Trade creditors	**44.1**	43.1	53.6
Amounts owed to associate undertaking	**1.7**	-	-
Other creditors	**19.5**	22.3	35.4
Payments received on account	**28.3**	25.3	18.9
Interest payable on loans	**2.0**	1.5	3.4
Corporation tax	**9.5**	6.9	6.3
Tax and social security	**3.2**	2.2	3.4
Accruals	**122.6**	134.7	135.8
Senior revolving credit facility	**-**	-	55.0
Loan notes	**-**	10.7	-
Senior bank facility	**-**	450.2	-
Project financed bank facility (NI)	**-**	0.2	-
Project financed bank facility (RoI)	**-**	2.6	-
	230.9	699.7	311.8

11. Creditors (continued)

	As at 30 September 2012 Unaudited £m	As at 30 September 2011 Unaudited £m	As at 31 March 2012 Audited £m
Amounts falling due after more than one year:			
External borrowings			
Senior secured notes	**372.0**	-	380.9
Project financed bank facility (RoI)	**-**	28.5	-
Project financed bank facility (NI)	**-**	17.7	-
	372.0	46.2	380.9
Subordinate Shareholder loan			
Loan from parent undertaking	**658.6**	547.8	634.7
	1,030.6	594.0	1,015.6

12. Net Debt

	As at 30 September 2012 Unaudited £m	As at 30 September 2011 Unaudited £m	As at 31 March 2012 Audited £m
Cash at bank and in hand	**6.8**	14.5	8.8
Current asset investments	**53.5**	162.8	26.6
Loan receivable from fellow subsidiary	**-**	114.9	-
Debt due within one year	**(2.0)**	(454.5)	(58.4)
Debt due after more than one year	**(1,030.6)**	(594.0)	(1,015.6)
Investment in junior bank facility	**332.3**	-	336.9
Loan notes	**-**	(10.7)	-
	(640.0)	(767.0)	(701.7)

13. Reconciliation of Shareholders' Funds and Movements in Reserves

	Share capital £m	Share premium £m	Accumulated losses £m	Total £m
At 1 April 2011	-	**510.0**	**(385.7)**	**124.3**
Total recognised gains and losses relating to the period	-	-	(18.0)	(18.0)
At 30 June 2011	-	**510.0**	**(403.7)**	**106.3**
Total recognised gains and losses relating to the period	-	-	(8.1)	(8.1)
At 30 September 2011	-	**510.0**	**(411.8)**	**98.2**
Total recognised gains and losses relating to the period	-	**-**	(39.0)	(39.0)
At 31 March 2012	-	**510.0**	**(450.8)**	**59.2**
Total recognised gains and losses relating to the period	-	-	(5.7)	(5.7)
At 30 June 2012	-	**510.0**	**(456.5)**	**53.5**
Total recognised gains and losses relating to the period	-	**-**	(5.9)	(5.9)
At 30 September 2012	-	**510.0**	**(462.4)**	**47.6**

14. Notes to the Group Cash Flow Statement

Reconciliation of Operating Profit to Cash Flow from Operating Activities:

	Second Quarter 2013 Unaudited £m	Second Quarter 2012 Unaudited £m	**First Half 2013 Unaudited £m**	First Half 2012 Unaudited £m	Year ended 31 March 2012 Audited £m
Operating profit	**16.4**	7.5	**37.3**	13.8	29.8
Adjustments for:					
Amortisation/impairment of goodwill	**8.1**	8.4	**16.2**	16.8	35.8
Depreciation of fixed assets	**4.1**	6.1	**8.2**	11.9	23.1
Amortisation of software costs	**0.8**	0.3	**1.2**	0.6	1.3
Defined benefit pension charge less contributions paid	**-**	-	**-**	0.1	(1.0)
Operating cash flows before movement in working capital	**29.4**	22.3	**62.9**	43.2	89.0
Decrease in stock	**0.1**	0.3	**0.3**	0.2	0.7
Decrease in debtors	**13.2**	21.2	**22.6**	56.8	32.8
Decrease/(increase) in security deposits	**1.4**	(32.2)	**37.4**	(35.0)	(34.3)
Decrease/(increase) in creditors	**6.8**	(5.7)	**(18.9)**	(30.1)	(10.9)
Effects of foreign exchange	**0.3**	0.4	**0.9**	(0.4)	1.7
Net cash inflow from operating activities	**51.2**	6.3	**105.2**	34.7	79.0

Net cash inflow from operating activities in Second Quarter 2013 includes exceptional cash outflows of £0.6m in respect of the payment of carbon revenue levy costs (Second Quarter 2012 - £3.3m). Net cash inflow from operating activities in First Half 2013 includes exceptional cash outflows of £1.8m in respect of the payment of carbon revenue levy costs (First half 2012 - £6.7m and year ended 31 March 2012 - £11.1m).