

Registered no. 2366777

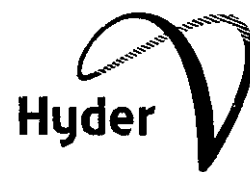
# Dwr Cymru Cyfyngedig

## Directors' report and financial statements

for the year ended 31 March 1999

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A Hyder group company



Registered Office:-  
Plas y Fynnon  
Cambrian Way  
BRECON  
Powys, LD3 7HP



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## **Directors and advisors**

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### **Directors**

G A Hawker	Non-executive director and Chairman
M P Brooker	Managing Director
G J Miles	Finance Director
C A Jones	Director
N C Annett	Director
R J Illidge	Director
G W Edwards	Director
P B Moriarty	Non-executive director
D H Thomas	Non-executive director

### **Company secretary**

R G Curtis

### **Auditors**

PricewaterhouseCoopers

### **Solicitors**

Edwards Geldard

### **Principal bankers**

National Westminster Bank Plc

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## Directors' report

The directors have pleasure in presenting their annual report to the shareholders, together with the audited financial statements for the year ended 31 March 1999 on pages 8 to 31.

### Principal activity and business review

The principal activity of the company is the supply of water and the treatment and disposal of waste water under the Instrument of Appointment made by the Secretary of State for Wales under the Water Act 1989.

The directors expect that the present level of activity will be sustained in the foreseeable future.

### Trading results

Profit on ordinary activities before taxation amounted to £115.0m (1998 £115.1m). The profit attributable to ordinary shareholders amounted to £92.1m (1998 £99.0m).

The directors recommend payment of a final dividend for the year ended 31 March 1999 of £29.7m making the total dividend on ordinary shares for the year £44.0m. In addition a preference dividend of £14m (1998 £7m) was paid in respect of the year ended 31<sup>st</sup> March 1999.

Overall the business has performed satisfactorily during the year.

### Fixed assets

Freehold land and buildings are carried in the accounts at historical cost at a net book value of £33.7m (1998 £34.1m). In the opinion of the directors there was no significant difference between book values of property capable of disposal within the foreseeable future and market values at 31 March 1999.

### Directors' interests in shares

The directors who held office throughout the year are listed on page 1. There were no significant contracts subsisting during or at the end of the year with the company in which any director is or was materially interested (other than service contracts). No director had any interest in the share capital of the company at any time during the year.

The beneficial interests of the directors in the ordinary shares, preference shares and options to subscribe for ordinary shares of the company's ultimate parent company, Hyder plc, at 31 March 1999 and 31 March 1998 are as set out below :-

### Ordinary and Preference Shareholdings

	Ordinary shares of 120p		Cumulative redeemable preference shares of £1	
	31 March 1999	31 March 1998	31 March 1999	31 March 1998
N C Annett	573	516	558	558
R J Illidge	1,463	1,322	3,985	3,985
C A Jones	80	-	-	-
P B Moriarty	-	-	-	-
D H Thomas	-	-	-	-
G J Miles	63	-	-	-
G W Edwards	2,306	395	-	-
	<b>4,485</b>	<b>2,233</b>	<b>4,543</b>	<b>4,543</b>

## Directors' report

### Directors' interests in shares ( continued )

#### Executive and Sharesave Option Holdings

	Executive options over ordinary shares of 120p				Share Save Options Exercise Price	Share Save Options Exercise Period
	31 March 1999	31 March 1998	31 March 1999	31 March 1998		
N C Annett	7,209	7,209	1,983	1,983	522p	1/2/2000- 31/7/2000
R J Illidge	-	-	806	806	522p	1/10/1999- 31/3/2000
			1,337	1,337	650p	1/9/2002- 28/2/2003
C A Jones	-	-	1,404	1,404	650p	1/9/2002- 28/2/2003
P B Moriarty	-	-	-	-		
D H Thomas	-	-	-	-		
G J Miles	-	-	1,004	1,004	£5.22	01/10/1999- 31/3/2000
G W Edwards	-	10,353	2,484	2,484	£6.50	01/9/2002- 28/2/2003
	<b>7,209</b>	<b>17,562</b>	<b>9,018</b>	<b>9,018</b>		

N C Annett holds 7,209 executive options at option price 648p with an exercise period of 24/8/1996-24/8/2003.

G W Edwards also holds loan notes in multiples of £1 to the value of £39,875.

G A Hawker and M P Brooker are directors of Hyder plc and their interests are disclosed in the directors' report of that company.

G W Edwards exercised executive options during the year.

Subsequent to the year end G W Edwards received 36 ordinary shares of 120p on 6 April 1999 under the Hyder Plc scrip plan.

### Policy on the payment of creditors

It is company policy to comply with terms of payment negotiated with suppliers. Where payment terms are not negotiated the company endeavours to adhere to the suppliers' standard terms. The average payment period in the year was 75 days (1998 78 days).

The company has included within trade creditors an amount of retention monies held in respect of capital contracts. This has adversely affected the average payment period for the year.

### Employment policies

The success of the company lies in its ability to manage and develop the skills and potential of the people it employs. This process depends on effective communication, ongoing training and development opportunities for all, as well as direct involvement of employees in mainstream business activities.

As the company grows there is a greater need for direct and responsive systems of communication. Efforts are being made to focus employees' attention on items directly relevant to their area of operation whilst maintaining a general interest in the activities of fellow subsidiary companies of Hyder plc. In-house magazines and videos continue to provide employees with a wide range of information but as technology advances, electronic mailing is becoming a more direct method of communicating messages of common interest simultaneously to large numbers of employees. Team briefings, workshops and roadshows combine to provide an open and participative approach to communication where questions can be answered and ideas exchanged.

### Employment policies

The company continues to work with its employee representatives to communicate matters jointly both at local and at regional levels.

The company is committed to achieving a balanced workforce by recruiting and developing employees in a fair and equitable way. Being members of Opportunity 2000 is part of that commitment and the company is seeking to combine this approach in a broader sense with initiatives already in place to achieve a better balance in its workforce. Working more closely with organisations in the community, the company is seeking to create opportunities for training and work experience for disabled people and seeking to encourage more active participation from people from ethnic minority backgrounds. This is in addition to work in place to assist employees with special needs who are already in the company's employment.

Direct participation in Hyder as a business can be demonstrated by the number of employees owning or saving for shares in Hyder plc. All of the company's employees participate in a profit related pay scheme, designed to reflect the relationship between performance and profit.

### Research and development

Research and development remains central to the company's achievements in improving operational efficiency and to the achievement of both national and international standards for potable water, sewage effluent and sludge.

### Contributions for charitable and political purposes

During the year, there have been no political donations, and charitable donations amounted to £81,500 (1998 £18,000).

## Directors' report

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### Year 2000 and Euro costs

During the year the company incurred expenses of £4.7m on preparations for Year 2000 computer compliance. It is estimated that approximately £2.1m will need to be incurred in the coming year.

Preparations for Euro compliance are at an early stage. Costs incurred to date have been negligible and it is too early to estimate future compliance costs.

### Regulatory accounts

Condition F of the Instrument of Appointment under which Dwr Cymru Cyfyngedig operates requires specified accounting statements to be published. Copies of these accounts will be available from the Company Secretary after 31 July 1999.

### Dividend

The company has declared dividends on ordinary shares for the year ended 31 March 1999 of £44m (1998 £434m) to its shareholder, Hyder Utilities (Holdings) Ltd. The company's policy is to pay dividends which do not impair the company's ability to finance its Appointed Business as a Water and Sewerage undertaker.

The company has received written confirmation from the Director General of Water Services that its policy is broadly consistent with the basic principles with which he believes a company dividend policy should comply.

The Directors will recommend the level of dividend each year in light of the policy and the circumstances applying at the time. The company believes that, under a system of incentive based price-cap regulation, dividends should reward improved operating performance, the management of economic risks and any retention of profits, whilst maintaining a financial position consistent with the stated policy.

### Welsh language policy

The company welcomes dealings with its customers in Welsh or English and aims to provide an equally effective standard of service in both languages.

### Auditors

The company's auditors, Coopers & Lybrand merged with Price Waterhouse on 1 July 1998, following which Coopers & Lybrand resigned and the shareholders of the company appointed the new firm, PricewaterhouseCoopers, as auditors.

By order of the Board



**R G Curtis**  
Company Secretary

**1 June 1999**

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## Directors' responsibilities for the financial statements

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The directors are required by U K Company Law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit of the company for the year. In preparing the financial statements, the directors ensure that appropriate accounting policies have been adopted and applied consistently, and that reasonable and prudent judgements have been made. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

It is the directors' responsibility to maintain adequate accounting records and to institute and maintain systems and controls designed to safeguard the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board



**R G Curtis**  
Company Secretary

**1 June 1999**

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## Auditors' report to the members of Dwr Cymru Cyfyngedig

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We have audited the financial statements on pages 8 to 31, which have been prepared under the historical cost convention and the accounting policies set out on pages 8 to 10.

### Respective responsibilities of directors and auditors

The directors are responsible for preparing the annual report, including as described on page 6 the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance. We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations required for our audit, or if information specified by law regarding directors' remuneration and transactions are not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements

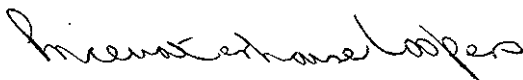
### Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 1999 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
Chartered Accountants and Registered Auditors  
Cardiff

**1 June 1999**

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## **Principal accounting policies**

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The financial statements have been prepared in accordance with Accounting Standards applicable in the United Kingdom and, except for the treatment of certain grants and contributions, comply with the Companies Act 1985. An explanation of these departures from the requirements of the Companies Act 1985 is given in the "Grants, customer contributions and infrastructure charges" section below and note 9(c). A summary of the principal accounting policies, which have been consistently applied, is shown below.

### **Changes in presentation of financial information**

Since the previous directors' report and financial statements, the Accounting Standards Board has issued Financial Reporting Standard 11 - Impairment of Fixed Assets and Goodwill, Financial Reporting Standard 12 - Provisions, Contingent Liabilities and Contingent Assets, Financial Reporting Standard 13 - Derivatives and other Financial Instruments: Disclosures, Financial Reporting Standard 14 - Earnings per Share and Financial Reporting Standard 15 - Tangible Fixed Assets. In addition the Urgent Issues Task Force ("UITF") has issued a number of abstracts in the year. Where relevant these financial statements comply with the new standards and UITF abstracts and comparatives have been restated accordingly. FRS 15 becomes mandatory in respect of the year ending 31 March 2000. In preparing the financial statements for the year ended 31 March 1999, only the FRS 15 section on infrastructure maintenance accounting has been adopted in order to reflect the new accounting treatment as described below.

### **Prior year adjustment**

It has been necessary to change the method of accounting for infrastructure assets following the introduction of FRS 12 as it is no longer possible to account for the difference between planned and actual expenditure on infrastructure renewals as a provision or prepayment. As a consequence the balance sheet has been restated to take account of necessary changes since the year ended 31 March 1989, when renewals accounting was adopted, and any previous provisions or prepayments have been subsumed into fixed assets. Further information is given on Note 9. This change of accounting has no effect on the profit and loss account other than to reclassify the renewals charge as depreciation. In addition the cash flow statement and certain notes have been restated where relevant to reflect these changes.

### **Basis of accounting**

These financial statements have been prepared in accordance with the historical cost convention.

### **Turnover**

Turnover represents the income receivable in the ordinary course of business for services provided and excludes value added tax.

### **Exceptional items**

Exceptional items are those that need to be disclosed by virtue of their size and incidence. Such items are included within operating profit unless they represent profits or losses on the sale or termination of an operation, costs of a fundamental reorganisation or restructuring having a material effect on the nature and focus of the company, or profits or losses on the disposal of fixed assets. In these cases, separate disclosure is provided on the face of the profit and loss account after operating profit.

## Principal accounting policies

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### Tangible fixed assets and depreciation

Tangible fixed assets comprise :

- (i) infrastructure assets (being mains and sewers, impounding and pumped raw water storage reservoirs, dams, sludge pipelines and sea outfalls); and
- (ii) other assets (including properties, overground operational structures and equipment and fixtures and fittings).

#### Infrastructure assets

Infrastructure assets comprise a network of systems. Expenditure on infrastructure assets relating to increases in capacity, enhancements or replacements of the network is treated as additions which are included at cost after deducting grants and contributions.

The depreciation charge for infrastructure assets is the estimated level of annual expenditure required to maintain the operating capability of the network which is based on the company's independently certified asset management plan.

#### Other assets

Other assets are included at cost less accumulated depreciation. Freehold land is not depreciated. Other assets are depreciated over their estimated useful economic lives, which are principally as follows:

Freehold buildings	30-60 years
Leasehold properties	over the period of the lease
Operational structures	40-80 years
Fixed plant	20-40 years
Vehicles, mobile plant, equipment and computer hardware & software	3-16 years

Assets in the course of construction are not depreciated until commissioned.

#### Leased assets

Where assets are financed by leasing arrangements which transfer substantially all the risks and rewards of ownership of an asset to the lessee (finance leases), the assets are treated as if they had been purchased and the corresponding capital cost is shown as an obligation to the lessor. Leasing payments are treated as consisting of a capital element and finance costs, the capital element reducing the obligation to the lessor and the finance charges being written off to the profit and loss account over the period of the lease in reducing amounts in relation to the written down amount. The assets are depreciated over the shorter of their estimated useful life and the lease period. All other leases are regarded as operating leases. Rental costs arising under operating leases are charged to the profit and loss account in the year to which they relate.

## **Principal accounting policies**

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### **Grants, customer contributions and infrastructure charges**

Grants, customer contributions and infrastructure charges relating to infrastructure assets have been offset against fixed assets (see note 9 (c)).

Grants and customer contributions in respect of expenditure on other fixed assets are treated as deferred income and recognised in the profit and loss account over the expected useful economic lives of the related assets.

### **Investments**

Long term investments held as fixed assets are stated at cost less amounts written off or provided to reflect permanent diminution in value. Those held as current assets are stated at the lower of cost and net realisable value.

### **Stocks and work in progress**

Stocks are stated at the lower of cost and net realisable value which takes account of any provision necessary to recognise damage and obsolescence. Work in progress is valued at the lower of cost and net realisable value. Cost includes labour, materials, transport and directly attributable overheads.

### **Pension costs**

Contributions are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. Contribution rates are based on the advice of a professionally qualified actuary. Any difference between the charge to the profit and loss account and contributions paid is shown as an asset or liability in the balance sheet.

### **Interest rate swaps**

Interest differentials, under swap arrangements used to manage interest rate exposure of borrowings and current asset investments, are recognised by adjusting interest payable or receivable as appropriate.

### **Research and development**

Research and development expenditure is charged to the profit and loss account in the year in which it is incurred.

### **Deferred taxation**

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

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**Profit and loss account for the year ended 31 March 1999**

	Note	1999 £m	1998 £m
<b>Turnover</b>	2	459.3	444.2
Net operating costs	3	(292.9)	(294.5)
<b>Operating profit</b>		<b>166.4</b>	149.7
<b>Before exceptional items :-</b>			
Continuing operations		166.4	177.7
Exceptional items	4	-	(28.0)
<b>Operating profit</b>		<b>166.4</b>	149.7
Profit on disposal of fixed assets		0.5	1.6
<b>Profit on ordinary activities before interest</b>		<b>166.9</b>	151.3
Interest receivable		6.1	9.4
Interest payable	6	(58.0)	(45.6)
<b>Profit on ordinary activities before taxation</b>		<b>115.0</b>	115.1
Taxation	7	(8.9)	(9.1)
<b>Profit on ordinary activities after taxation</b>		<b>106.1</b>	106.0
Dividends on preference shares	8	(14.0)	(7.0)
<b>Profit attributable to ordinary shareholder</b>		<b>92.1</b>	99.0
Dividends on ordinary shares	8	(44.0)	(434.0)
<b>Retained profit/(loss) for the year</b>	21	<b>48.1</b>	(335.0)

All operations are continuing.

The company has no recognised gains and losses other than the profits above and therefore no separate statement of total recognised gains and losses has been presented.

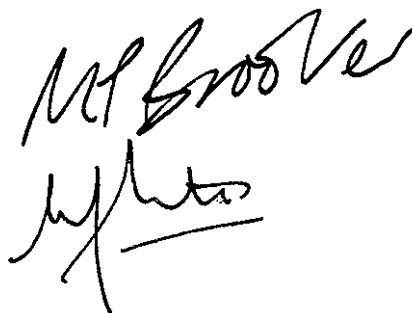
There is no difference between the results disclosed above and the results on an unmodified historical cost basis.

Balance sheet at 31 March 1999

	Note	1999 £m	1998 (Restated) £m
<b>Fixed assets</b>			
Tangible assets	9	1,980.6	1,792.2
Investments	10	0.1	0.1
		<u>1,980.7</u>	<u>1,792.3</u>
<b>Current assets</b>			
Stocks and work in progress	11	6.0	6.5
Debtors	12	101.9	102.9
Current asset investments	13(a)	71.9	133.0
Cash at bank and in hand		1.6	2.0
		<u>181.4</u>	<u>244.4</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	14(a)	(244.0)	(217.7)
<b>Net current (liabilities)/assets</b>		<u>(62.6)</u>	<u>26.7</u>
<b>Total assets less current liabilities</b>		<u>1,918.1</u>	<u>1,819.0</u>
<b>Creditors: amounts falling due after more than one year</b>			
Provisions for liabilities and charges	14(b) 19	(792.8) (61.3)	(735.7) (67.4)
<b>Net assets</b>		<u>1,064.0</u>	<u>1,015.9</u>
<b>Capital and reserves</b>			
Called up share capital	20	476.1	476.1
Reserves	21	587.9	539.8
Equity shareholders' funds		864.0	815.9
Non-equity shareholders' funds		200.0	200.0
<b>Total shareholder's funds</b>		<u>1,064.0</u>	<u>1,015.9</u>

The financial statements on pages 8 to 31 were approved by the Board of directors on 1 June 1999 and were signed on its behalf by:

**M P Brooker**  
Managing Director



**G J Miles**  
Finance Director

Cashflow statement for the year ended 31 March 1999

		1999	1998
		£m	(restated) £m
<b>Cash flow from operating activities</b>	<b>Note</b>	<b>248.0</b>	<b>220.3</b>
	22		
<b>Returns on investments and servicing of finance</b>			
Interest received		7.9	9.5
Interest paid		(43.8)	(31.8)
Preference dividends paid		(21.0)	-
Interest element of finance lease rental payments		(9.7)	(3.3)
		<b>(66.6)</b>	<b>(25.6)</b>
<b>Taxation</b>			
UK corporation tax paid		(5.5)	(2.6)
Group relief paid		(9.1)	(3.5)
		<b>(14.6)</b>	<b>(6.1)</b>
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(287.7)	(279.0)
Sale of tangible fixed assets		0.8	1.8
Grants and contributions received		11.1	16.6
		<b>(275.8)</b>	<b>(260.6)</b>
<b>Equity dividends paid</b>		<b>(28.0)</b>	<b>(472.3)</b>
<b>Cash outflow before use of liquid resources and financing</b>		<b>(137.0)</b>	<b>(544.3)</b>
<b>Management of liquid resources</b>			
Net movement in deposits		61.1	48.6
<b>Financing</b>			
Proceeds from issue of preference shares		-	200.0
Loan received from parent undertaking		40.0	360.0
Loan repaid to parent undertaking		(40.0)	(240.0)
Long term loans received		-	140.0
Loan repayments		(7.0)	(2.9)
Finance lease received		92.1	33.2
		<b>85.1</b>	<b>490.3</b>
<b>Increase/(decrease) in cash in the year</b>	<b>Note</b>	<b>9.2</b>	<b>(5.4)</b>
	23		

## Reconciliation of movements in shareholders' funds for the year ended 31 March 1999

	1999 £m	1998 £m
Profit for the year attributable to ordinary shareholders	92.1	99.0
New preference share capital issued	-	200.0
Ordinary dividends	(44.0)	(434.0)
Net increase/(decrease) in shareholder's funds	48.1	(135.0)
At 1 April	1,015.9	1,150.9
At 31 March	1,064.0	1,015.9



## Notes to the financial statements

### 1 Consolidated financial statements

The company has taken advantage of Section 228 (1) of the Companies Act 1985 not to produce consolidated financial statements as it is a wholly owned subsidiary of Hyder plc.

### 2 Segmental analysis by class of business

#### (a) Turnover

	1999 £m	1998 £m
Regulated water and sewerage activities	456.0	440.7
Non regulated activities	3.3	3.5
	<u>459.3</u>	<u>444.2</u>

External turnover is stated net of customer rebates of £11.5m (1998 - £11.4m).

#### (b) Profit on ordinary activities before taxation

	1999 £m	1998 £m
<b>Regulated water and sewerage activities</b>		
Operating profit *	166.1	149.6
Profit on disposal of fixed assets	0.5	0.7
Interest payable	(52.9)	(37.2)
	<u>113.7</u>	<u>113.1</u>

#### **Non-regulated activities**

	1999 £m	1998 £m
Operating profit	0.3	0.1
Profit on disposal of fixed assets	-	0.9
Interest receivable	1.0	1.0
	<u>1.3</u>	<u>2.0</u>

\* Operating results as disclosed above, are after deducting exceptional items of £nil (1998 - £28.0m) (see Note 4). The operating profit, prior to deducting the exceptional items, is set out below:

Operating profit	<u>166.1</u>	<u>177.6</u>
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## Notes to the financial statements

### 2 Segmental analysis by class of business ( continued )

#### (c) Net assets

	1999 £m	1998 £m
Regulated water and sewerage activities	1,047.7	1,000.9
Non-regulated activities	16.3	15.0
	<u>1,064.0</u>	<u>1,015.9</u>

Substantially all turnover and profit before taxation, by origin and destination, was attributable to the UK.

### 3 Net operating costs

	Note	1999 £m
Staff costs		51.1
Severance and redundancy costs		-
Depreciation:		
-Own assets		67.1
-Assets held under finance leases		9.4
Research and development		0.1
Rentals under operating leases:		
-Hire of plant and equipment		7.8
-Other		0.2
Fees paid to auditors:		
-Audit services		0.1
-Consultancy services		0.1
Other operating charges		172.5
Amortisation of grants and contributions	19(c)	(1.3)
Own work capitalised		(13.5)
Net rents receivable		(0.7)
		<u>292.9</u>

## Notes to the financial statements

### 3 Net operating costs (continued)

		1998 (Restated) Before exceptional items £m	1998 Exceptional items (note 4) £m	1998 (Restated) £m
Staff costs	5(b)	52.6	-	52.6
Severance and redundancy costs		-	23.2	23.2
Depreciation:				
-Own assets		62.8	-	62.8
-Assets held under finance leases		4.3	-	4.3
Research and development		0.6	-	0.6
Rentals under operating leases:				
-Hire of plant and equipment		10.2	-	10.2
-Other		0.2	-	0.2
Fees paid to auditors:				
-Audit services		0.1	-	0.1
-Consultancy services		0.1	-	0.1
Other operating charges		150.8	4.8	155.6
Amortisation of grants and contributions	19(c)	(1.2)	-	(1.2)
Own work capitalised		(13.6)	-	(13.6)
Net rents receivable		(0.4)	-	(0.4)
		266.5	28.0	294.5

The comparatives shown above have been restated following the company's adoption of the infrastructure maintenance accounting aspects of FRS 15. As a result, the infrastructure maintenance provision charge of £24.8m for the year ended 31 March 1998 has been restated as depreciation (Note 9 and 19(b)).

## Notes to the financial statements

### 4 Exceptional items

Provision for restructuring the regulated water and sewerage business:-

	1999 £m	1998 £m
<b>By type of provision:</b>		
Severance and redundancy costs	-	23.2
Other	-	4.8
	-	28.0

### 5 Directors and employees

#### (a) Directors' emoluments

The combined emoluments of the directors of Dwr Cymru Cyfyngedig for their services as directors of the company is set out below:

	1999 £'000	1998 £'000
Aggregate emoluments and other benefits	527	594
Highest paid director:		
Aggregate emoluments and other benefits	94	113
Accrued pension under defined benefit scheme	77	58

Retirement benefits are accruing to seven directors ( 1998 - seven) under defined benefit schemes. One director exercised share options in the company's ultimate parent company, Hyder Plc, during the year.

#### (b) Staff costs

	1999 £m	1998 £m
Wages and salaries	44.1	44.4
Social security costs	3.5	3.4
Pension costs	3.5	4.8
	51.1	52.6

Of the above, £8.3m (1998 £7.1m) has been charged to capital.

#### (c) Average monthly number of employees during the year (including executive directors)

	1999 Number	1998 Number
Regulated water and sewerage activities	1,906	2,071

## Notes to the financial statements

### 6 Interest payable

	1999 £m	1998 £m
On bank loans and overdrafts	1.9	1.9
On other loans	42.6	32.6
On finance leases	13.5	11.1
	<u>58.0</u>	<u>45.6</u>

Included in other loans are amounts payable to group undertakings of £24.6m (1998 £21.1m).

### 7 Taxation

	1999 £m	1998 £m
<b>Based on the results for the year:</b>		
Group relief payable	17.3	9.1
	<u>17.3</u>	<u>9.1</u>
<b>Prior year adjustments:</b>		
Corporation tax	(12.3)	-
Group relief payable	3.9	-
	<u>8.9</u>	<u>9.1</u>

The tax charge has been reduced by £21.7m (1998 £28.2m) in respect of excess tax allowances over depreciation and other timing differences, for which no provision is made.

### 8 Dividends

	1999 £m	1998 £m
<b>(a) Dividends on ordinary shares</b>		
Interim paid : 5.19p per Share (1998:7.35p per share)	14.3	20.3
Special dividend :Nil (1998:145p per share)	-	400.0
Final proposed :10.76p per share (1998:4.96p per share)	29.7	13.7
	<u>44.0</u>	<u>434.0</u>
<b>(b) Dividends on preference shares</b>		
Paid on 7% preference shares	14.0	7.0
	<u>14.0</u>	<u>7.0</u>

## Notes to the financial statements

### 9 Tangible fixed assets

#### (a) analysis by type

	Freehold land and buildings £m	Infra- structure assets £m	Operational structures £m	Vehicles, plant, equipment and computer hardware & software £m	Total £m
<b>Cost</b>					
At 1 April 1998	46.7	729.2	1,252.1	168.1	2,196.1
Prior year adjustment	-	203.7	-	-	203.7
Restated brought forward balances	46.7	932.9	1,252.1	168.1	2,399.8
Additions	0.6	136.9	130.6	12.1	280.2
Grants and contributions	-	(8.8)	-	-	(8.8)
Disposals	(0.3)	(1.0)	-	-	(1.3)
Amounts written off in year	-	-	-	(9.7)	(9.7)
At 31 March 1999	<b>47.0</b>	<b>1,060.0</b>	<b>1,382.7</b>	<b>170.5</b>	<b>2,660.2</b>
<b>Accumulated depreciation</b>					
At 1 April 1998	12.6	-	277.5	109.8	399.9
Prior year adjustment	-	207.7	-	-	207.7
Restated brought forward balances	12.6	207.7	277.5	109.8	607.6
Charge for the year	0.7	33.7	33.1	9.0	76.5
Eliminated on disposal	-	(1.0)	-	-	(1.0)
Amounts written off in year	-	-	-	(3.5)	(3.5)
At 31 March 1999	<b>13.3</b>	<b>240.4</b>	<b>310.6</b>	<b>115.3</b>	<b>679.6</b>
<b>Net book value</b>					
At 31 March 1999	<b>33.7</b>	<b>819.6</b>	<b>1,072.1</b>	<b>55.2</b>	<b>1,980.6</b>
At 31 March 1998	34.1	725.2	974.6	58.3	1,792.2
<b>Analysis of net book value at 31 March 1999</b>					
Owned	33.7	819.6	838.8	55.2	1,747.3
Held under finance leases	-	-	233.3	-	233.3
	<b>33.7</b>	<b>819.6</b>	<b>1,072.1</b>	<b>55.2</b>	<b>1,980.6</b>

Tangible fixed assets at 31 March 1999 include £345.9m (1998 £287.6m) of assets in the course of construction, which are not depreciated until commissioned.

The opening fixed assets have been restated by way of a prior year adjustment in accordance with FRS 12. Water and sewerage infrastructure expenditure incurred since 1989 when renewals accounting was adopted as industry practice has been treated as additions to fixed assets and infrastructure maintenance charges since 1989 have been treated as accumulated depreciation in accordance with FRS 15.

Notes to the financial statements

9 Tangible fixed assets (continued)

(b) analysis by service

	Water Services £m	Sewerage Services £m	General £m	Other Trading Activities £m	Total £m
<b>Cost</b>					
At 1 April 1998	967.3	1,070.7	157.8	0.3	2,196.1
Prior year adjustment	120.6	83.1	-	-	203.7
Restated brought forward balances	1,087.9	1,153.8	157.8	0.3	2,399.8
Additions	69.1	199.0	12.1	-	280.2
Grants and contributions	(4.8)	(4.0)	-	-	(8.8)
Disposals	(0.6)	(0.4)	-	(0.3)	(1.3)
Assets written off in year	-	-	(9.7)	-	(9.7)
At 31 March 1999	<b>1,151.6</b>	<b>1,348.4</b>	<b>160.2</b>	<b>0.0</b>	<b>2,660.2</b>
<b>Accumulated depreciation</b>					
At 1 April 1998	151.0	155.6	93.3	-	399.9
Prior year adjustment	86.5	121.2	-	-	207.7
Restated balances brought forward	237.5	276.8	93.3	-	607.6
Charge for the year	37.2	29.0	10.3	-	76.5
Eliminated on disposal	(0.6)	(0.4)	-	-	(1.0)
Assets written off in year	-	-	(3.5)	-	(3.5)
At 31 March 1999	<b>274.1</b>	<b>305.4</b>	<b>100.1</b>	<b>-</b>	<b>679.6</b>
<b>Net book value</b>					
At 31 March 1999	<b>877.5</b>	<b>1,043.0</b>	<b>60.1</b>	<b>-</b>	<b>1,980.6</b>
At 31 March 1998	816.3	915.1	64.5	0.3	1,796.2
<b>Analysis of net book value at 31 March 1999</b>					
Owned	795.0	892.2	60.1	-	1,747.3
Held under finance leases	82.5	150.8	-	-	233.3
	<b>877.5</b>	<b>1,043.0</b>	<b>60.1</b>	<b>-</b>	<b>1,980.6</b>

## Notes to the financial statements

### 9 Tangible fixed assets (continued)

(c) The accounting treatment for grants, customer contributions and infrastructure charges in respect of infrastructure assets is described in the principal accounting policies on page 9. This treatment is not in accordance with Schedule 4 to the Companies Act 1985 which requires fixed assets to be shown at the purchase price or production cost and hence grants and contributions would be presented under the Act as deferred income. The treatment explained on page 9 has been adopted in accordance with section 227(6) of the Companies Act 1985 in order to show a true and fair view, as in the opinion of the directors, it is not appropriate to treat grants, contributions and infrastructure charges on infrastructure assets as deferred income. The fixed assets to which they relate do not have determinable finite lives and any grants and contributions relating to such assets would not separately be taken to the profit and loss account, but are reflected in the depreciation charge. As a consequence the net book value for fixed assets is £148.3m (1998 £139.5m) lower than it would have been had this treatment not been adopted.

### 10 Fixed asset investments

The company has £0.1m investments (1998 £0.1m) in the following entities all of whom are incorporated in Great Britain:-

	Nature of Business	Description of shares held	Proportion Held
<b>Subsidiary</b>			
Welsh Water Utilities Finance PLC	Investment Company	£1 ordinary shares	100%
<b>Joint Venture</b>			
Hyder Utilities (Operations) Ltd	Operational Activities	£1 ordinary shares	50%

Equity of less than 10% in the following unlisted company:-

	Nature of Business	Country of Incorporation	Description of Holding
Water Research Centre (1989) Plc	Water Research	Great Britain	"B" Ordinary Shares of £1

In addition, the Company holds 5% Convertible Unsecured Loan Stock 2014 at a cost of £23,326 in Water Research Centre (1989) Plc.



## Notes to the financial statements

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### 11 Stocks and work in progress

	1999 £m	1998 £m
Raw materials and consumables	5.0	5.2
Work in progress	1.0	1.3
	<u>6.0</u>	<u>6.5</u>

The replacement cost of stocks is not materially different from their carrying value.

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### 12 Debtors

	1999 £m	1998 £m
<b>Amounts falling due within one year:</b>		
Trade debtors	40.2	48.9
Amounts owed by group undertakings	1.8	3.8
Other debtors	18.6	12.7
Prepayments and accrued income	33.7	27.9
	<u>94.3</u>	<u>93.3</u>
<b>Amounts falling due after more than one year:</b>		
Other debtors	7.6	9.6
	<u>101.9</u>	<u>102.9</u>

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### 13 Current asset investments

#### (a) Management of liquid resources

	1999 £m	1998 £m
<b>Investments in:</b>		
Fixed term and call deposits	49.0	70.8
Other money market investments	22.9	62.2
	<u>71.9</u>	<u>133.0</u>
<b>Amounts becoming due:</b>		
Within one year	71.9	133.0
	<u>71.9</u>	<u>133.0</u>

Cash generated from operating activities and from long term loan drawdowns in advance of future capital expenditure obligations is invested on a daily basis by Hyder plc under an agency agreement in money market investments. These investments include term deposits, government securities and corporate bonds and papers rated at not less than AA.

## Notes to the financial statements

### 13 Current asset investments ( continued )

#### (b) Interest rate swaps

The company has entered into interest rate swap arrangements in order to manage interest rate exposure of the company and not for trading or speculative purposes.

The company's outstanding interest rate swap arrangements, excluding the long dated interest rate swap specific to finance lease borrowing (note 16), had a notional principal balance of £29.2m (1998 £29.2m), terminating December 1999 with an interest rate of 6.12% (1998 6.04%).

### 14 Creditors

	Note	1999 £m	1998 £m
<b>(a) Amounts falling due within one year:</b>			
Bank loans and overdrafts		25.3	34.9
Other loans	15	36.3	7.2
Trade creditors		68.0	71.9
Amounts owed to group undertakings		16.0	15.2
Dividends payable		29.7	20.7
Corporation tax		0.4	4.6
Other taxation and social security		1.5	1.5
Other creditors		66.8	61.7
		<u>244.0</u>	<u>217.7</u>
<b>(b) Amounts falling due after more than one year:</b>			
Other loans	15	206.0	242.2
Obligations under finance leases	16	265.4	173.3
Amounts owed to group undertakings		317.3	317.3
Other creditors - between one and five years		4.1	2.9
		<u>792.8</u>	<u>735.7</u>

Amounts owed to group undertakings comprises loans of £99.1m and £98.2m at an interest rate of 7.55%, repayable in 2004 and 2014 respectively and loans of £60.0m and £60.0m at an interest rate of 7.84% repayable in 2007 and 2017 (1998 loans of £99.1m and £98.2m at interest rates of 7.55% repayable 2004 and 2014 and loans of £60.0m and £60.0m at an interest rate of 7.84% repayable in 2007 and 2017).

## Notes to the financial statements

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### 15 Other loans

	1999 £m	1998 £m
Repayable as follows:		
Within one year	36.3	7.2
Between one and two years	7.1	36.2
Between two and five years	24.2	21.2
After more than five years	174.7	184.8
	<u>242.3</u>	<u>249.4</u>
Repayable wholly within five years	29.2	29.2
Repayable wholly after five years	140.0	140.0
Repayable by instalments after five years	73.1	80.2
	<u>242.3</u>	<u>249.4</u>

Interest rates on these loans range between 6.12% and 10.15%. (1998 6.1% and 10.15%).

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### 16 Finance leases

	1999 £m	1998 £m
Amounts due under finance leases after more than five years	<u>265.4</u>	<u>173.3</u>

A long dated interest rate swap was arranged on 1 April 1994 which has the effect of fixing the rate of interest at 7.8% on floating rate sterling finance lease obligations of £59.3m. This obligation reduces over a term of 15 years.

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### 17 Capital commitments

	1999 £m	1998 £m
Contracted for but not provided in the financial statements	<u>158.0</u>	<u>366.9</u>

In order to meet additional quality and service standards, together with growth and new demands, the company has capital investment obligations over the next six years amounting to approximately £2.0 billion at current prices in the regulated water and sewerage business. These investment plans are subject to potential modifications as part of the regulatory price review processes which is currently taking place.

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## Notes to the financial statements

### 18 Leasing commitments

	Land and buildings		Other	
	1999 £m	1998 £m	1999 £m	1998 £m
At 31 March 1999 there were revenue commitments, in the ordinary course of business in the next year to the payment of rentals on non cancellable operating leases expiring:				
Between two and five years	0.1	0.1	-	-
After five years	0.1	0.1	-	-
	<b>0.2</b>	<b>0.2</b>	-	-
Due to group undertaking expiring:				
within one year	-	-	2.3	4.0
between one and two years	-	-	1.6	1.6
between two and five years	-	-	2.4	3.0
After five years	-	-	0.8	-
	-	-	<b>7.1</b>	<b>8.6</b>

### 19 Provisions for liabilities and charges

	Note	1999 £m	1998 (Restated) £m
Deferred taxation	(a)	-	-
Infrastructure maintenance provision	(b)	-	-
Deferred Income	(c)	40.3	40.4
Restructuring provision	(d)	20.1	25.9
Provision for uninsured losses	(e)	0.9	1.1
		<b>61.3</b>	<b>67.4</b>

#### (a) Deferred taxation

No provision is required for deferred taxation in accordance with the policy described on page 10. The amount unprovided of the total potential liability, is as follows:

	Amount provided		Amount unprovided	
	1999 £m	1998 £m	1999 £m	1998 £m
Tax effect of timing differences:				
Excess of tax allowances over depreciation	-	-	270.8	288.0
Other timing differences	-	-	(7.5)	(10.9)
	-	-	<b>263.3</b>	<b>277.1</b>

## Notes to the financial statements

### (b) Infrastructure maintenance provision

	1999	1998
	£m	Restated £m
At 1 April	4.0	-
Prior year adjustment	(4.0)	-
Restated brought forward balance	-	-
At 31 March	-	-

The infrastructure maintenance provision has been restated by way of a prior year adjustment in accordance with FRS 12. All water and sewerage infrastructure expenditure is now treated as additions to fixed assets, in accordance with FRS 15, with an annual depreciation charge which is equivalent to the annual expenditure required to maintain the operating capability of the water and sewerage infrastructure network based on the independently certified asset management plan.

### (c) Deferred income

	1999	1998
	£m	£m
At 1 April	40.4	37.0
Received during the year	1.2	4.6
Released to profit and loss account	(1.3)	(1.2)
At 31 March	40.3	40.4

### (d) Restructuring provision

		1999	1998
	Note	£m	£m
At 1 April		25.9	11.4
Charge for the year	4	-	28.0
Utilised in the year		(5.8)	(13.5)
At 31 March		20.1	25.9

### (e) Provision for uninsured losses

	1999	1998
	£m	£m
At 1 April	1.1	-
Charge for the year	0.3	1.1
Utilised in year	(0.5)	-
At 31 March	0.9	1.1

## Notes to the financial statements

### 20 Called up share capital

	1999 £m	1998 £m
<b>Authorised:</b>		
301,050,000 ordinary shares of £1 each (1998 301,050,000)	301.1	301.1
200,000,000 7% preference shares of £1 each (1998 200,000,000)	200.0	200.0
	<u>501.1</u>	<u>501.1</u>
<b>Allotted, called up and fully paid:</b>		
276,050,000 ordinary shares of £1 each (1998 276,050,000)	276.1	276.1
200,000,000 7% preference shares of £1 each (1998 200,000,000)	200.0	200.0
	<u>476.1</u>	<u>476.1</u>

### 21 Reserves

#### Profit and loss account

	1999 £m	1998 £m
At 1 April	539.8	874.8
Profit/(loss) retained for the year	48.1	(335.0)
At 31 March	<u>587.9</u>	<u>539.8</u>

### 22 Cash flow from operating activities

	1999 £m	1998 Restated £m
Operating profit	166.4	149.7
Depreciation of tangible fixed assets	76.5	67.1
Amounts written off tangible fixed assets	6.2	0.1
Amortisation of grants and contributions	(1.3)	(1.2)
Provision for uninsured losses	(0.2)	1.1
Net decrease in stock	0.5	-
Net (increase)/decrease in debtors	(1.9)	7.2
Net increase/ (decrease) in creditors	7.6	(18.2)
Restructuring provisions	(5.8)	14.5
Cash flow from operating activities	<u>248.0</u>	<u>220.3</u>

## Notes to the financial statements

### 23 Reconciliation of net cash flow to movement in net debt

	1999 £m	1998 £m
Increase/(decrease) in cash in the year	9.2	(5.4)
Cash inflow from decrease in liquid resources	(61.1)	(48.6)
Cash inflow from increase in debt and lease financing	(85.0)	(290.3)
Movement in net debt in the year	(136.9)	(344.3)
Net debt at 1 April	(639.9)	(295.6)
Net debt at 31 March	(776.8)	(639.9)

### 24 Analysis of net debt

#### (a) Movements in the year

	At 31 March 1999 £m	Cash Flow £m	At 1 April 1998 £m
<b>Net cash:</b>			
Cash at bank and in hand	1.6	(0.4)	2.0
Bank overdraft	(25.3)	9.6	(34.9)
	(23.7)	9.2	(32.9)
<b>Liquid resources:</b>			
Current asset investments	71.9	(61.1)	133.0
<b>Debt:</b>			
Finance leases	(265.4)	(92.1)	(173.3)
Debts falling due within one year	(36.3)	(29.1)	(7.2)
Debts falling due after one year	(523.3)	36.2	(559.5)
	(825.0)	(85.0)	(740.0)
<b>Net debt</b>	(776.8)	(136.9)	(639.9)

#### (b) Year end reconciliation

	1999 £m	1998 £m
Cash at bank and in hand	1.6	2.0
Current asset investments	71.9	133.0
Bank overdraft	(25.3)	(34.9)
Finance leases due after one year	(265.4)	(173.3)
Debt due within one year	(36.3)	(7.2)
Debt due after one year	(523.3)	(559.5)
	(776.8)	(639.9)

### 25 Directors' and officers' loans and transactions

No loans or credit transactions with any directors, officers or connected persons subsisted during the year or were outstanding at the end of the year.

**26 Pension schemes**

The Group participates in number of pension schemes both in the UK and overseas. The assets of each pension scheme are held separately from the assets of the group and are administered by trustees. The principal schemes are defined benefit schemes in the UK-the Hyder Water Pension Scheme, the Water Mirror Image Pension Scheme, the Electricity Supply Pension Scheme and the Acer Group Pension Scheme.

The pension cost under the accounting standard SSAP 24 for the WPS and WMIS has been assessed in accordance with the advice of William M. Mercer Limited, consulting actuaries, using the projected unit method for HWPS and the attained age method for WMIS. For funding purposes the main actuarial assumptions used are based upon investment growth of 6.5% per annum, pay growth of 4.5% per annum and increases to pensions in payment and deferred pensions of 3% per annum. The actuarial value of the assets was taken at 88% of the market value of the assets as at 31 March 1998.

The last actuarial valuations for HWPS and WMIS were carried out as at 31 March 1998 with the market values being £324.6m and £99.9m respectively. Using the assumptions adopted for the Statement of Standard Accounting Practice No. 24 "Accounting for Pension Costs", the actuarial value of assets represented 113% for HWPS and 118% for WMIS of the value of the accrued benefits after allowing for expected future earnings increases. In deriving the pension cost under SSAP24 the surpluses in HWPS and WMIS are spread over the future working lifetime of employees.

The total pension cost for the period was £3.5m (1998 £4.8m).

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**27 Contingent liabilities**

The company has provided guarantees in respect of the principal and interest payments relating to Eurobonds issued by its subsidiary undertaking, Welsh Water Utilities Finance Plc, amounting to £200m (1998 £200m).

The company is also a participant in a cash pooling arrangement operated by National Westminster Bank Plc in the United Kingdom. The company has guaranteed the bank overdraft balances of the participating companies, all of which are fellow subsidiaries, subject to a maximum amount equal to the company's own cash balance with the bank. At 31 March 1999 the overdrafts of fellow subsidiary companies in the cash pooling arrangement amounted to £29.8m (1998 £23.3m).

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**28 Elan aqueduct**

In 1984 Welsh Water Authority entered into a conditional sale and purchase agreement with Severn Trent Water Authority for the sale of the aqueduct and associated works by which the bulk supply to Severn Trent reservoirs is conveyed.

The sum of £31.7m, representing the consideration for the conditional sale, has been invested in a trust fund. The principal function of the fund was to provide an income to Welsh Water Authority, whilst preserving the capital value of the fund in real terms. Welsh Water Authority's interest in this fund was vested in Dwr Cymru Cyfyngedig under the provisions of the Water Act 1989. The assets of the fund are not included in these financial statements.

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## Notes to the financial statements

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### **29 Related party transactions**

In accordance with the exemption afforded by Financial Reporting Standard 8 there is no disclosure in these financial statements of transactions with entities that are part of the Hyder plc group (note 30).

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### **30 Ultimate holding company**

The company's immediate parent is Hyder Utilities (Holdings) Ltd . The ultimate holding company and controlling party is Hyder plc which is registered in England and Wales.

The financial statements of Hyder plc can be obtained from the company secretary of Hyder plc, PO Box 295, Alexandra Gate, Rover Way, Cardiff, CF2 2UE.

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## Five year summary

	Year ended 31 March				
	1999 £m	1998 £m	1997 £m	1996 £m	1995 £m
<b>Turnover</b>	<b>459.3</b>	<b>444.2</b>	<b>428.5</b>	<b>430.9</b>	<b>415.5</b>
<b>Operating profit</b>	<b>166.4</b>	<b>149.7</b>	<b>168.3</b>	<b>150.7</b>	<b>152.8</b>
Profit/(Loss) on disposal of fixed assets	0.5	1.6	0.9	0.7	0.2
<b>Profit on ordinary activities before interest and taxation</b>	<b>166.9</b>	<b>151.3</b>	<b>169.2</b>	<b>151.4</b>	<b>153.0</b>
Net interest payable	(51.9)	(36.2)	(20.2)	(12.8)	(10.8)
<b>Profit on ordinary activities before taxation</b>	<b>115.0</b>	<b>115.1</b>	<b>149.0</b>	<b>138.6</b>	<b>142.2</b>
Taxation	(8.9)	(9.1)	(2.0)	(15.2)	(4.0)
<b>Profit on ordinary activities after taxation</b>	<b>106.1</b>	<b>106.0</b>	<b>147.0</b>	<b>123.4</b>	<b>138.2</b>
Preference dividends	(14.0)	(7.0)	-	-	-
Ordinary dividends	(44.0)	(434.0)	(79.0)	(67.0)	(65.0)
<b>Retained profit/(loss) for the year</b>	<b>48.1</b>	<b>(335.0)</b>	<b>68.0</b>	<b>56.4</b>	<b>73.2</b>
<b>Fixed assets</b>	<b>1,980.7</b>	<b>1,796.3</b>	<b>1,606.6</b>	<b>1,450.7</b>	<b>1,305.0</b>
<b>Net current assets</b>	<b>(62.6)</b>	<b>26.7</b>	<b>55.0</b>	<b>94.0</b>	<b>147.5</b>
<b>Total assets less current liabilities</b>	<b>1,918.1</b>	<b>1,823.0</b>	<b>1,661.6</b>	<b>1,544.7</b>	<b>1452.5</b>
<b>Creditors: amounts falling due after more than one year</b>	<b>(792.8)</b>	<b>(735.7)</b>	<b>(449.9)</b>	<b>(386.6)</b>	<b>(358.7)</b>
<b>Provisions for liabilities and charges</b>	<b>(61.3)</b>	<b>(71.4)</b>	<b>(60.8)</b>	<b>(75.2)</b>	<b>(67.3)</b>
<b>Net assets</b>	<b>1,064.0</b>	<b>1,015.9</b>	<b>1,150.9</b>	<b>1,082.9</b>	<b>1,026.5</b>
<b>Capital and reserves</b>					
Called up share capital	476.1	476.1	276.1	276.1	276.1
Reserves	587.9	539.8	874.8	806.8	750.4
Equity shareholders' funds	864.0	815.9	1,150.9	1,082.9	1,026.5
Non-equity shareholders' funds	200.0	200.0	-	-	-
Total shareholders' funds	1,064.0	1,015.9	1,150.9	1,082.9	1,026.5