Viridian Group Investments Limited

Unaudited Interim Report and Accounts

First Quarter
2014

GROUP FINANCIAL HIGHLIGHTS

Underlying Business Results[1]

- Group pro-forma Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) for First Quarter 2014 decreased to £22.4m (2013 - £24.3m)[2]

- Group pro-forma operating profit for First Quarter 2014 decreased to £17.1m (2013 - £19.8m)

UK GAAP Results[3]

- Turnover for First Quarter 2014 decreased to £362.7m (2013 - £371.1m)

- Group operating profit before goodwill amortisation for First Quarter 2014 decreased to £13.6m (2013 - £29.6m)

[1] Based on regulated entitlement and before goodwill amortisation and exceptional items.
[2] Pro-forma operating profit (pre exceptional items) for First Quarter 2014 of £17.1m (2013 - £19.8m) with an add-back for depreciation/amortisation in First Quarter 2014 of £5.3m (2013 - £4.5m)
[3] Before exceptional items.

MANAGEMENT REPORT

The directors of Viridian Group Investments Limited present their interim report and accounts for the 3 months ended 30 June 2013 (First Quarter 2014) including comparatives for the 3 months ended 30 June 2012 (First Quarter 2013). 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 First Quarter 2014. 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 associate 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 organic growth principally through expansion in renewables;
- focus on profitable customer retention and look for opportunities to diversify our customer base; 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:

	First Quarter 2014 £m	First Quarter 2013 £m	Year end 31 March 2013 £m
Energia Group (pre exceptional items)[1]	**15.7**	18.3	76.6
Power NI Energy [2]	**6.7**	6.0	25.8
Other	**-**	-	(3.1)
	22.4	24.3	99.3

[1] As shown in note 2 to the interim accounts. Includes EBITDA from renewable windfarm assets for First Quarter 2014 £nil (2013 - £nil); year ended 31 March 2013 £0.3m loss
[2] As shown in note 2 to the interim accounts

Energia Group EBITDA (pre exceptional items) for First Quarter 2014 decreased to £15.7m (2013 - £18.3m) primarily as a result of lower utilisation of the Huntstown plant partly offset by improved retail margins together with a favourable foreign exchange impact reflecting the strengthening of Euro to Sterling during the period compared to the same period last year.

Power NI Energy pro-forma EBITDA (based on regulated entitlement) for First Quarter 2014 increased to £6.7m (2013 - £6.0m) reflecting:

- Power NI EBITDA (based on regulated entitlement) for First Quarter 2014 increasing to £5.5m (2013 - £4.7m) reflecting higher margin contributions from small scale renewable PPAs together with higher unregulated customer margins including higher unregulated sales volumes.

- PPB EBITDA (based on regulated entitlement) for First Quarter 2014 decreasing to £1.2m (2013 - £1.3m) primarily reflecting reduced regulated entitlement.

Business Reviews

Energia Group

	First Quarter 2014	First Quarter 2013	Year end 31 March 2013
Availability %			
- Huntstown 1	**100.0**	100.0	98.3
- Huntstown 2	**96.1**	98.5	90.8
Utilisation %			
- Huntstown 1	**0.0**	22.1	15.3
- Huntstown 2	**32.8**	56.2	60.4
Energia electricity sales (TWh)	**1.2**	1.3	5.2
Energia gas sales (million therms)	**17**	16	71
Contracted renewable generation capacity in operation in NI & RoI (MW)			
- average during the period	**594**	487	541
- at period end	**599**	510	582

Huntstown 1 availability for First Quarter 2014 was 100.0% (2013 – 100.0%).

Huntstown 2 availability for First Quarter 2014 was 96.1% (2013 – 98.5%) reflecting the completion of a 35 day planned outage which commenced on 2 March 2013 in line with its long term service agreement with Mitsubishi. The First Quarter 2013 availability reflects the completion of a 12 day planned outage which commenced on 23 March 2012.

Huntstown 1 utilisation for First Quarter 2014 reduced to 0.0% (2013 – 22.1%) reflecting the ongoing impact of the coal/gas price switch which has resulted in increased utilisation of coal plant in the SEM together with the commissioning of new wind capacity, higher wind factors and the commercial operation of the East/West Interconnector at full capacity from 1 May 2013.

In light of the reduced utilisation of the Huntstown 1 plant, Huntstown 1 continues to bid in gas capacity costs to the SEM to ensure recovery of such costs if the plant is required to run by the market operator.

Huntstown 2 utilisation for First Quarter 2014 reduced to 32.8% (2013 – 56.2%) for the same reasons as noted above for Huntstown 1.

Energia electricity sales were 1.2TWh for First Quarter 2014 (2013 – 1.3TWh) while customer sites supplied were 61,000 at 30 June 2013 (31 March 2013 – 60,200).

Energia gas sales were 17m therms for First Quarter 2014 (2013 – 16m therms) while customer sites supplied were 4,100 at 30 June 2013 (31 March 2013 - 4,300).

Renewable portfolio

Energia Group's renewable portfolio primarily consists of offtake contracts with third-party owned windfarms (including wind generation assets in which the Group has an associate equity interest) 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.

Renewable offtake contracts: 30 June 2013

MW	Operating	Under construction	In development	Total
NI	172	-	122	**294**
RoI	427	18	119	**564**
	599	18	241	**858**

The average contracted renewable generation capacity in operation during First Quarter 2014 was 594MW (2013 – 487MW) reflecting the commissioning of new capacity.

At 30 June 2013, the operating capacity under contract in Northern Ireland remained at 172MW (31 March 2013 – 172 MW) and the RoI operating capacity increased to 427MW (31 March 2013 – 410MW).

At 30 June 2013 there were 18MW of contracted windfarm capacity in the RoI under construction and 241MW of windfarm capacity in development.

Direct investment

The Energia Group has a direct investment in 100MW of in-development windfarm capacity which comprises 32MW 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.

In April 2013 the Energia Group completed the acquisition of a 20MW windfarm development project in Northern Ireland.

In June 2013 the Energia Group put in place non-recourse project finance facilities of up to €14.4m in respect of a 9MW wind farm currently under construction in the RoI.

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

The Energia Group also has a minority share of 25% in the RoI windfarm projects and 20% in the Northern Ireland windfarm projects the majority interests in which were sold to AMP on 15 June 2012, as described in the Group's annual report and accounts for the year ended 31 March 2013.

Energia is preparing to enter the market for residential electricity and gas supply in the RoI in the autumn of 2013.

Power NI

	First Quarter 2014	First Quarter 2013	Year end 31 March 2013
Stage 2 complaints to the Consumer Council (number)	**-**	2	7
Customers (number)			
- Residential	**574,000**	648,000	584,000
- Non-residential	**36,000**	37,000	36,000
	610,000	685,000	620,000
Electricity sales (TWh)	**0.7**	0.8	3.4

During First Quarter 2014 Power NI received no Stage 2 complaints (2013 – 2).

During First Quarter 2014 residential customer numbers reduced to 574,000 (584,000 at 31 March 2013) reflecting continued competition in the market. Non-residential customer numbers remained at 36,000 (36,000 at 31 March 2013).

Electricity sales volumes for First Quarter 2014 decreased to 0.7TWh (2013 - 0.8TWh) reflecting the reduction in customer numbers.

On 22 May 2013, Power NI announced a 17.8% increase in residential tariffs with effect from 1 July 2013, reflecting increases in the cost of procuring wholesale electricity. The tariff increase was agreed with the Utility Regulator.

PPB

As at 30 June 2013 the generation capacity under contract to PPB comprised 600MW CCGT with Ballylumford. (600 MW at 31 March 2013).

Regulation update

Energia Group

Gas capacity bidding in the SEM
On 20 June 2013, the SEM Committee published a guidance paper on the treatment of gas capacity costs in the SEM, setting out its provisional views on the circumstances in which generators would include gas capacity costs in their short run marginal cost bids and their expectations of how the value of gas capacity should be calculated for the purpose of their bids. Subsequently, on 31 July 2013, the SEM Committee published a consultation on proposed changes to the Bidding Code of Practice to accommodate the approach to these costs broadly as outlined in the guidance paper. These papers remain open to consultation until 26 September 2013.

Capacity Payment Mechanism (CPM)
On 12 August 2013, the Regulatory Authorities published the final decision on the capacity pot available for calendar year 2014. The pot has been set at €565.8m (2012 - €529.9m).

Power NI

April 2014 Price Control discussions
The Utility Regulator published “initial proposals” relating to Power NI’s 2014 price control on 23 July 2013. The Utility Regulator is proposing a 3 year price control (i.e. 1 April 2014 to 31 March 2017) which features a lower non-domestic deregulated threshold of 50 MWh (currently 150 MWh). This threshold will remain under review during the proposed price control period.

The proposals would also allow for an increase in Power NI’s net margin from 1.7% to 2.2%, and an increased operating cost allowance relating to IT costs, primarily associated with the new billing systems. However, the Utility Regulator has, amongst other things, proposed a 1% efficiency factor to be applied to reduce the inflationary uplift on the operating costs allowance in years 2 and 3 of the price control and that an increased proportion of costs be allocated to Power NI's deregulated customers.

Power NI will be responding to the proposals during the consultation period which closes on 1 October 2013. Final proposals are expected by the end of December 2013.

Other

East/West Interconnector
Commercial operation of the East/West Interconnector commenced on 21 December 2012 however operations were initially restricted to 250MW due to telecommunication interference issues.

An outage to implement changes to remove the telecommunication interference issues was completed on 1 May 2013 and the interconnector is now available at its full capability of c530MW.

Summary of Financial Performance

Group turnover

	First Quarter 2014 £m	First Quarter 2013 £m	Year end 31 March 2013 £m
Energia Group [1]	**239.5**	226.0	997.2
Power NI Energy (based on regulated entitlement)	**126.8**	135.4	610.6
Adjustment for over/(under) - recovery	**(3.5)**	9.8	(3.6)
Inter business elimination	**(0.1)**	(0.1)	(0.5)
Total turnover	**362.7**	371.1	1,603.7

[1]includes turnover from renewable windfarm assets for First Quarter 2014 £nil (2013 - £nil); year ended 31 March 2013 £0.6m.

Turnover for First Quarter 2014 decreased to £362.7m (2013 - £371.1m). The breakdown by business is as follows:

Energia Group turnover for First Quarter 2014 increased to £239.5m (2013 - £226.0m) primarily reflecting increased turnover generated by trading over the East/West Interconnector together with higher electricity retail tariffs associated with higher Use of System pass through costs, higher retail gas volumes, higher renewable PPA revenues associated with higher renewable wind factors and higher renewable capacity and the favourable impact of foreign exchange translation (with the strengthening of Euro to Sterling compared to the same period last year), partly offset by lower Huntstown plant utilisations and lower Energia electricity sales volumes.

Power NI Energy turnover (based on regulated entitlement) for First Quarter 2014 decreased to £126.8m (2013 - £135.4m). Power NI turnover (based on regulated entitlement) for First Quarter 2014 decreased to £100.6m (2013 - £111.1m) primarily due to a reduction in residential customer numbers and average consumption per customer together with lower average tariffs partly offset by higher unregulated sales volumes. PPB turnover (based on regulated entitlement) for First Quarter 2014 increased to £26.2m (2013 - £24.5m) primarily reflecting higher constrained output at the Ballylumford plant partly offset by the expiry, on 1 November 2012, of 116MW of contracted capacity at Ballylumford and 58MW of contracted capacity at Kilroot together with 58MW at Coolkeeragh from 1 February 2013.

During First Quarter 2014 the Power NI Energy businesses under-recovered against their regulated entitlement by £3.5m (2013 - over-recovered by £9.8m) and at 30 June 2013 the cumulative under-recovery against regulated entitlement was £20.1m (31 March 2013 - £16.6m). The (under)/over-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.

Operating costs (pre exceptional items) for First Quarter 2014 increased to £349.1m (2013 - £341.5m).

Energy costs for First Quarter 2014 increased to £326.8m (2013 - £319.5m) primarily reflecting the impact of foreign exchange translation (with the strengthening of Euro to Sterling compared to the same period last year) together with the impact of higher interconnector trading at Energia, higher Use of System costs for Energia, higher renewable PPA costs, higher retail gas volumes and higher plant output at Ballylumford as discussed above, partly offset by lower Huntstown plant utilisations together with the expiry of PPB contracts with generators relating to 174MW on 1 November 2012 and lower electricity sales volumes at Power NI and Energia.

Employee costs for First Quarter 2014 decreased to £5.1m (2013 – £5.2m).

Depreciation and amortisation for First Quarter 2014 increased to £5.3m (2013 – £4.5m) primarily due to the depreciation for Power NI assets relating to the billing IT project which was implemented in May 2012.

Other operating charges for First Quarter 2014 decreased to £11.9m (2013 - £12.3m) primarily due to lower plant maintenance costs reflecting reduced utilisations partly offset by the impact of foreign exchange translation (with the strengthening of Euro to Sterling compared to the same period last year) together with higher Power NI operating costs associated with its new billing system.

Group operating profit (pre exceptional items and goodwill amortisation)

	First Quarter 2014 £m	First Quarter 2013 £m	Year end 31 March 2013 £m
Energia Group operating profit (pre exceptional items)[1]	**11.1**	14.1	60.4
Power NI Energy pro-forma operating profit [2]	**6.0**	5.7	23.6
Other	**-**	-	(3.1)
Group pro-forma operating profit (pre exceptional items)	**17.1**	19.8	80.9
(Under)/over-recovery of regulated entitlement [2]	**(3.5)**	9.8	(3.6)
Operating profit (pre exceptional items)	**13.6**	29.6	77.3

[1] Includes operating profit from renewable windfarm assets First Quarter 2014 £nil (First Quarter 2013 £nil); year ended 31 March 2013 £0.3m loss.
[2] *As shown in note 2 to the interim accounts*

Operating profit (pre goodwill amortisation and exceptional items) for First Quarter 2014 decreased to £13.6m (2013 - £29.6m) reflecting an under-recovery of regulated entitlement of £3.5m (2013 - over-recovery of £9.8m) together with a decrease in Group pro-forma operating profit (pre-exceptional items and goodwill amortisation) to £17.1m (2013 - £19.8m).

Group pro-forma operating profit (pre-exceptional items and goodwill amortisation) for First Quarter 2014 decreased to £17.1m (2013 - £19.8m) reflecting a decrease in Energia Group operating profit from £14.1m to £11.1m partly offset by an increase in Power NI Energy pro-forma operating profit from £5.7m to £6.0m.

Energia Group operating profit (pre exceptional items) for First Quarter 2014 decreased to £11.1m (2013 - £14.1m) reflecting the decrease in EBITDA outlined previously.

Power NI Energy pro-forma operating profit for First Quarter 2014 increased to £6.0m (2013 - £5.7m). Power NI pro-forma operating profit increased to £4.8m (2013 - £4.4m) reflecting the increase in EBITDA partly offset by the increase in depreciation and amortisation outlined previously. PPB pro-forma operating profit decreased to £1.2m (2013 - £1.3m) reflecting the reduction in EBITDA outlined previously.

Exceptional operating costs

Exceptional costs for First Quarter 2014 were £nil (2013 - £0.6m). Exceptional costs in First Quarter 2013 comprised the costs relating to the carbon revenue levy which ended on 25 May 2012.

Net finance costs

Net finance costs for First Quarter 2014 decreased to £19.9m (2013 - £25.8m).

Tax charge

The total tax credit for First Quarter 2014 was £1.9m (2013 – tax charge £1.1m) primarily reflecting the tax impact associated with an over-recovery of regulated entitlement of £9.8m in First Quarter 2013 against an under-recovery of regulated entitlement of £3.5m in First Quarter 2014.

Cash flow

Cash flow before interest and tax

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

	First Quarter 2014 £m	First Quarter 2013 £m	Year end 31 March 2013 £m
Group pro-forma EBITDA[1]	**22.4**	24.3	99.3
Defined benefit pension charge less contributions paid	**-**	-	(1.3)
Net movement in security deposits	**(0.2)**	36.0	35.6
Changes in working capital [2]	**(1.6)**	(15.5)	5.2
(Under)/over-recovery of regulated entitlement	**(3.5)**	9.8	(3.6)
Revaluation of emissions assets	**-**	-	8.5
Foreign exchange translation (loss)/benefit	**(0.8)**	0.6	0.6
Exceptional cash outflows	**-**	(1.2)	(1.8)
Cash flow from operating activities	**16.3**	54.0	142.5
Net capital expenditure [3]	**(4.4)**	(2.2)	(10.0)
Proceeds from sale and purchases of other intangibles	**3.1**	12.4	0.3
Cash flow before interest, acquisitions and disposals and tax	**15.0**	64.2	132.8

(1) Includes EBITDA of renewable wind farm assets for First Quarter 2014 £nil (2013 - £nil); year ended 31 March 2013 £0.3m loss.
(2) Includes working capital of renewable wind farm assets for First Quarter 2014 £0.8m increase (2013 - £nil); year ended 31 March 2013 £0.2m increase
(3) Includes capital expenditure on renewable wind farm assets for First Quarter 2014 £2.4m (2013 - £0.3m); year ended 31 March 2013 £4.1m.

Group cash flow from operating activities for First Quarter 2014 decreased to £16.3m (2013 - £54.0m) primarily reflecting a cash outflow in respect of cash security deposits of £0.2m (2013 - cash inflow £36.0m), the under-recovery of regulated entitlement £3.5m (2013 - over-recovery of £9.8m) partially offset by a smaller increase in working capital of £1.6m (2013 – an increase of £15.5m).

Net movement in security deposits

The net movement in security deposits for First Quarter 2014 was an outflow of £0.2m (2013 – inflow of £36.0m). The First quarter 2013 cash inflow reflects the replacement of cash security deposits with letters of credit following the refinancing of the Group in March 2012.

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.

First Quarter 2014

Working capital increased by £1.6m in First Quarter 2014 due to increases in the working capital requirements of Power NI Energy and the Energia Group, partly offset by a decrease in the working capital requirements of other Viridian holding companies.

Energia Group working capital increased by £1.4m in First Quarter 2014. Excluding changes in the working capital of renewable wind farm assets, Energia working capital increased by £0.6m primarily due to a decrease in trade creditors and accruals (reflecting the seasonal reduction in electricity and gas purchase volumes and lower gas prices), a reduction in the emissions liability (reflecting settlement of the 2013 annual compliance in April 2013) and the settlement of year end internal group relief balances partly offset by a decrease in trade debtors and accrued income (reflecting the seasonal reduction in electricity and gas sales volumes together with lower retail prices (reflecting lower wholesale costs)).

Working capital at Power NI Energy increased by £3.1m in First Quarter 2014 primarily due to a decrease in trade creditors in PPB (reflecting timing differences in the payment of PPA costs) and Power NI (reflecting lower energy and use of system creditors associated with the seasonal reduction in sales volumes) together with the settlement of year end internal group relief and pension recharge balances, partly offset by a reduction in Power NI trade debtors and accrued income (due to the seasonal reduction in sales volumes and lower retail prices) and an increase in the Power NI renewable obligation creditor.

Working capital at other Viridian holding companies decreased by £2.9m in First Quarter 2014 primarily due to the settlement of year end internal group relief and pension recharge balances outlined above partly offset by the bi-annual payment of Arcapita management fees.

First Quarter 2013

Working capital increased by £15.5m in First Quarter 2013 due to increases in the working capital requirements of the Energia Group and Power NI Energy partly offset by a decrease in the working capital requirements of other Viridian holding companies.

Energia Group working capital increased by £12.1m in First Quarter 2013 primarily due to a reduction in the emissions liability reflecting settlement of the

2012 annual compliance in April 2012, a decrease in trade creditors and accruals (reflecting the seasonal reduction in electricity and gas purchase volumes partly offset by higher gas creditors reflecting higher availability and utilisation for Huntstown 2 in June 2012 relative to March 2012 (with Huntstown 2's planned outage in March 2012)) and the settlement of year end internal group relief balances partly offset by a decrease in trade debtors and accrued income (reflecting the seasonal reduction in electricity and gas sales volumes together with decreased renewable PPA debtors (with lower wind output in June 2012 relative to March 2012 offsetting increased capacity) partly offset by an increase in debtor days and higher SEM accrued income associated with higher availability and utilisation of Huntstown 2).

Working capital at Power NI Energy increased by £5.2m in First Quarter 2013 primarily due to lower trade creditors and accruals in PPB (associated with lower power purchase costs due to the contract cancellation at Ballylumford together with the annual settlement of certain PPA charges), lower energy and use of system creditors in Power NI (associated with the seasonal reduction in sales volumes) and the settlement of year end internal group relief and pension recharge balances, partly offset by a reduction in Power NI trade debtors and accrued income (due to the seasonal reduction in sales volumes partly offset by an increase in debtor days), lower PPB trade debtors and accrued income (with the March 2012 PSO debtor turning to a PSO creditor in June 2012 together with the impact of the Ballylumford contract cancellation) and higher Power NI renewable obligation creditor.

Working capital at other Viridian holding companies decreased by £1.8m in First Quarter 2013 primarily due to the settlement of year end internal group relief and pension recharge balances outlined above partly offset by the bi-annual payment of Arcapita management fees.

(Under)/over-recovery of regulated entitlement

As noted previously, during First Quarter 2014 the Power NI Energy businesses under-recovered against their regulated entitlement by £3.5m (2013 – over-recovered by £9.8m). At 30 June 2013 the cumulative under-recovery against regulated entitlement was £20.1m. The (under)/over-recovery of regulated entitlement reflects the phasing of tariffs.

Exceptional cash outflows

There were no exceptional cash out flows during First Quarter 2014. Exceptional cash outflows during First Quarter 2013 of £1.2m consisted of payments made in respect of the RoI carbon revenue levy.

Net capital expenditure

Net capital expenditure in respect of tangible fixed assets and intangible software assets for First Quarter 2014 increased to £4.4m (2013 - £2.2m). Excluding capital expenditure on renewable wind farm assets, net capital expenditure for First Quarter 2014 increased to £2.0m (2013 – £1.9m).

Net capital expenditure at Energia Group (excluding capital expenditure on renewable wind farm assets) for First Quarter 2014 increased to £1.7m (2013 - £0.9m) reflecting capital expenditure in respect of the Domestic Market Entry project.

Net capital expenditure at Power NI for First Quarter 2014 decreased to £0.1m (2013 – £1.0m) reflecting the reduced expenditure in respect of the Enduring Solution project as the system go-live was achieved in May 2012.

Net capital expenditure at other Viridian holding companies for First Quarter 2014 increased to £0.2m (2013 – £nil) reflecting the expenditure on the upgrade of the SAP accounting system.

Other cash flows

Net interest paid

Net interest paid (excluding issue costs on new long-term loans and exceptional finance costs) for First Quarter 2014 increased to £3.0m (2013 - £0.6m) primarily reflecting payment of interest on the redemption of 9.3% of the senior secured notes on 4 June 2013 together with the 3% premium.

Acquisition of subsidiary undertaking

During First Quarter 2014 £2.8m was paid in relation to the acquisition of a 20MW windfarm development project in Northern Ireland. Deferred consideration of £1.7m was also recognised in relation to this transaction.

Dividends

No equity interim dividends were paid during First Quarter 2014 (2013 - £nil)

Net debt

The Group Cash Flow Statement shows an increase in net debt during First Quarter 2014 of £10.3m from £545.4m at 31 March 2013 to £555.7m at 30 June 2013 primarily reflecting the cash flows noted above.

Defined benefit pension scheme

During First Quarter 2014 the valuation of the Group's defined benefit scheme under FRS 17 Retirement Benefits moved from a deficit of £0.4m net of deferred tax at 31 March 2013 to position whereby the assets of the scheme equalled the liabilities of the scheme at 30 June 2013.

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 June 2013 £m	As at 30 June 2012 £m	As at 31 March 2013 £m
Investments	**29.6**	41.1	25.6
Cash	**9.4**	6.6	24.7
Junior bank facility asset	**345.8**	333.5	342.8
Senior secured notes	**(358.5)**	(374.2)	(392.5)
Senior revolving credit facility	**(18.6)**	(8.0)	-
Interest accruals	**(13.3)**	(16.4)	(2.4)
Subordinated shareholder loan	**(550.1)**	(652.9)	(543.6)
Net Debt	**(555.7)**	(670.3)	(545.4)

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 June 2013 the Group had cash drawings under the SRCF of £18.6m (31 March 2013 - £nil) and letters of credit issued out of the SRCF of £117.6m (31 March 2013 - £123.9m) resulting in undrawn committed facilities of £88.8m (31 March 2013 - £101.1m).

On 4 June 2013 the Group effected the redemption of 9.3% of its senior secured notes at 103% of the principal amount.

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 – 33 of the Group's annual report and accounts for the year ended 31 March 2013.

GROUP PROFIT AND LOSS ACCOUNT

	First Quarter 2014 Unaudited £m	First Quarter 2013 Unaudited £m	Year ended 31 March 2013 Audited £m
GROUP TURNOVER	**362.7**	371.1	1,603.7
Operating costs	**(349.1)**	(341.5)	(1,526.4)
Exceptional operating costs	**-**	(0.6)	(0.6)
Operating profit before goodwill amortisation	**13.6**	29.0	76.7
Goodwill amortisation	**(8.1)**	(8.2)	(32.3)
GROUP OPERATING PROFIT	**5.5**	20.8	44.4
Share of operating profit in associates	**0.4**	0.1	1.5
Amortisation of goodwill in associates	**(0.1)**	(0.1)	(0.4)
TOTAL OPERATING PROFIT: GROUP & SHARE OF ASSOCIATES	**5.8**	20.8	45.5
Profit on disposal of continuing operations	**-**	0.4	0.4
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST & TAX	**5.8**	21.2	45.9
Net interest payable	**(19.9)**	(25.8)	(79.4)
LOSS ON ORDINARY ACTIVITIES BEFORE TAX	**(14.1)**	(4.6)	(33.5)
Tax credit/(charge) on loss on ordinary activities	**1.9**	(1.1)	9.3
LOSS FOR THE FINANCIAL PERIOD	**(12.2)**	(5.7)	(24.2)

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	First Quarter 2014 Unaudited £m	First Quarter 2013 Unaudited £m	Year ended 31 March 2013 Audited £m
Loss for the financial period:			
Group	**(12.0)**	(5.1)	(23.3)
Associates	**(0.2)**	(0.6)	(0.9)
	(12.2)	(5.7)	(24.2)
Exchange difference on retranslation of foreign subsidiaries	**(4.1)**	8.5	(4.6)
Exchange difference on loan hedged against foreign subsidiary	**3.3**	(7.5)	3.4
Actuarial gain/(loss) on pension scheme assets and liabilities	**0.5**	(1.3)	(1.2)
Deferred tax (charge)/credit on actuarial gain/(loss) on pension scheme assets and liabilities	**(0.1)**	0.3	0.3
Total recognised losses relating to the period	**(12.6)**	(5.7)	(26.3)

GROUP BALANCE SHEET

	Note	As at 30 June 2013 Unaudited £m	As at 30 June 2012 Unaudited £m	As at 31 March 2013 Audited £m
Fixed assets				
Intangible assets		**466.3**	494.6	474.2
Tangible assets		**305.4**	290.1	301.5
Investment in associates	9	**8.9**	9.8	9.8
Other investment	9	**346.5**	334.2	343.5
		1,127.1	1,128.7	1,129.0
Current assets				
Stocks		**5.1**	9.7	5.1
Debtors - due within one year	10	**161.1**	166.9	202.6
Investments		**29.6**	41.1	25.6
Cash at bank and in hand		**9.4**	6.6	24.7
		205.2	224.3	258.0
Creditors (amounts falling due within one year)	11	**(257.3)**	(249.1)	(272.3)
Net current liabilities		**(52.1)**	(24.8)	(14.3)
Total assets less current liabilities		**1,075.0**	1,103.9	1,114.7
Creditors (amounts falling due after more than one year):				
External borrowings		**(358.5)**	(374.2)	(392.5)
Subordinated shareholder loan		**(551.5)**	(652.9)	(544.9)
		(910.0)	(1,027.1)	(937.4)
Provisions for liabilities and charges		**(11.7)**	(10.4)	(11.5)
Deferred taxation		**(6.3)**	(11.6)	(5.8)
Deferred income		**(1.2)**	-	(1.2)
Net assets excluding pension liability		**145.8**	54.8	158.8
Defined benefit pension asset/ liability)		**-**	(1.3)	(0.4)
NET ASSETS		**145.8**	53.5	158.4
Equity				
Called up share capital		**-**	-	-
Share premium		**510.0**	510.0	510.0
Capital contribution reserve		**125.5**	-	125.5
Profit and loss account		**(489.7)**	(456.5)	(477.1)
TOTAL EQUITY		**145.8**	53.5	158.4

The interim accounts were approved by the Board of directors and authorised for issue on 25 August 2013. They were signed on its behalf by:

Essa Zainal

Director
Date: 25 August 2013

GROUP CASH FLOW STATEMENT

	Note	**First Quarter 2014 Unaudited £m**	First Quarter 2013 Unaudited £m	Year ended 31 March 2013 Audited £m
Cash flow from operating activities	14	**16.3**	54.0	142.5
Returns on investments and servicing of finance				
Interest received		**0.3**	0.1	0.4
Interest paid		**(2.1)**	(0.7)	(57.0)
Premium on redemption of senior secured notes		**(1.2)**	-	-
Issue costs on new long-term loans		**-**	(2.7)	(4.0)
Dividend from associate		**0.6**	-	-
Exceptional finance costs		**(0.2)**	(0.2)	(0.7)
		(2.6)	(3.5)	(61.3)
Taxation		**-**	-	(0.3)
Capital expenditure and financial investment				
Purchase of tangible fixed assets		**(3.2)**	(1.2)	(6.6)
Capital contributions in respect of intangible assets		**-**	-	0.8
Purchase of intangible assets		**(4.1)**	(2.0)	(28.4)
Proceeds from disposal of intangible assets		**6.0**	13.4	24.5
		(1.3)	10.2	(9.7)
Acquisitions and disposals				
Sale of subsidiary undertaking		**-**	(0.8)	(1.7)
Acquisition of subsidiary undertaking		**(2.8)**	-	-
		(2.8)	(0.8)	(1.7)
Cash inflow/(outflow) before use of liquid resources and financing		**9.6**	59.9	69.5
Management of liquid resources				
Increase in short term managed funds		**-**	-	(0.1)
(Increase)/decrease in bank deposits		**(3.8)**	(14.9)	1.4
		(3.8)	(14.9)	1.3
Financing				
Receipts from loans		**18.5**	-	-
Repayment of loans		**(39.8)**	(47.0)	(55.0)
		(21.3)	(47.0)	(55.0)
Decrease in cash in the period		**(15.5)**	(2.0)	15.8
Reconciliation of net cash flow to movement in net debt				
Decrease in cash in the period		**(15.5)**	(2.0)	15.8
Cash outflow/(inflow) from movement in net loans		**21.3**	47.0	55.0
Cash outflow/(inflow) from movement in liquid resources		**3.8**	14.9	(1.3)
Change in net debt resulting from cash flows		**9.6**	59.9	69.5
Capitalisation of interest on shareholder loan		**(6.6)**	(5.9)	(22.3)
(Increase)/decrease in interest accruals		**(11.0)**	(13.0)	1.4
Amortisation of financing charges		**(1.1)**	(0.7)	(3.8)
Translation difference		**(1.2)**	3.4	(1.7)
Equitisation of shareholder loan		**-**	-	125.5
Restructuring of renewable assets		**-**	(12.3)	(12.3)
Movement in net debt in the period		**(10.3)**	(31.4)	156.3
Net debt at beginning of period		**(545.4)**	(701.7)	(701.7)
Net debt at end of period		**(555.7)**	(670.3)	(545.4)

NOTES TO THE ACCOUNTS

1. Basis of Preparation

The interim accounts for the three months ended 30 June 2013 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 2013.

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 2013 has been extracted from the Group's annual report for the year ended 31 March 2013. The report of the auditors on the accounts contained within the Group's annual report for the year ended 31 March 2013 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 5 to 7.

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 First Quarter 2014 Unaudited £m	**Internal First Quarter 2014 Unaudited £m**	**Total First Quarter 2014 Unaudited £m**	External First Quarter 2013 Unaudited £m	Internal First Quarter 2013 Unaudited £m	Total First Quarter 2013 Unaudited £m	External year ended 31 March 2013 Audited £m	Internal year ended 31 March 2013 Audited £m	Total year ended 31 March 2013 Audited £m
Turnover									
- Energia Group	**239.5**	**-**	**239.5**	225.9	0.1	226.0	997.0	0.2	997.2
- Power NI Energy	**123.2**	**0.1**	**123.3**	145.2	-	145.2	606.7	0.3	607.0
- Inter-group elimination	**-**	**(0.1)**	**(0.1)**	-	(0.1)	(0.1)	-	(0.5)	(0.5)
Group turnover	**362.7**	**-**	**362.7**	371.1	-	371.1	1,603.7	-	1.603.7

2. Segmental Information (continued)

	First Quarter 2014 Unaudited £m	First Quarter 2013 Unaudited £m	Year ended 31 March 2013 Audited £m
Group profit/(loss) before depreciation, amortisation, exceptional items, interest and tax			
Energia Group	**15.7**	18.3	76.6
Power NI Energy	**3.2**	15.8	22.2
Other	**-**	-	(3.1)
Group profit before depreciation, amortisation, exceptional items, interest and tax	**18.9**	34.1	95.7
Exceptional operating costs			
Energia Group	**-**	(0.6)	(0.6)
Group exceptional operating costs	**-**	(0.6)	(0.6)
Depreciation/amortisation			
Energia Group	**(4.6)**	(4.3)	(16.2)
Power NI Energy	**(0.7)**	(0.2)	(2.2)
Group depreciation/amortisation	**(5.3)**	(4.5)	(18.4)
Operating profit/(loss) post exceptional operating costs			
Energia Group	**11.1**	13.4	59.8
Power NI Energy	**2.5**	15.6	20.0
Other	**-**	-	(3.1)
Group operating profit post exceptional operating costs	**13.6**	29.0	76.7
Goodwill amortisation	**(8.1)**	(8.2)	(32.3)
Group operating profit	**5.5**	(20.8)	44.4
Share of operating profit in associates	**0.4**	0.1	1.5
Amortisation of goodwill in associates	**(0.1)**	(0.1)	(0.4)
Total operating profit: Group and share of associates	**5.8**	(20.8)	45.5
Profit on disposal of continuing operations	**-**	0.4	0.4
Profit on ordinary activities before interest and tax	**5.8**	21.2	45.9
Net interest payable	**(19.9)**	(25.8)	(79.4)
Loss on ordinary activities before tax	**(14.1)**	(4.6)	(33.5)

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:

Based on regulated entitlement:	**Turnover**			**Operating profit/(loss) pre exceptional operating costs**			**Profit/(loss) before depreciation, amortisation, exceptional items, interest and tax**		
	First Quarter 2014 Unaudited £m	First Quarter 2013 Unaudited £m	Year ended 31 March 2013 Audited £m	**First Quarter 2014 Unaudited £m**	First Quarter 2013 Unaudited £m	Year ended 31 March 2013 Audited £m	**First Quarter 2014 Unaudited £m**	First Quarter 2013 Unaudited £m	Year ended 31 March 2013 Audited £m
Energia Group	**239.5**	226.0	997.2	**11.1**	14.1	60.4	**15.7**	18.3	76.6
Power NI	**100.6**	111.1	491.7	**4.8**	4.4	18.2	**5.5**	4.7	20.4
Power Procurement	**26.2**	24.5	119.8	**1.2**	1.3	5.4	**1.2**	1.3	5.4
Inter-business elimination	**-**	(0.2)	(0.9)	**-**	-	-	**-**	-	-
Power NI Energy	**126.8**	135.4	610.6	**6.0**	5.7	23.6	**6.7**	6.0	25.8
Other	**-**	-	-	**-**	-	(3.1)	**-**	-	(3.1)
Inter-group elimination	**(0.1)**	(0.1)	(0.5)	**-**	-	-	**-**	-	-
	366.2	361.3	1,607.3	**17.1**	19.8	80.9	**22.4**	24.3	99.3
Adjustment for (under)/over -recovery	**(3.5)**	9.8	(3.6)	**(3.5)**	9.8	(3.6)	**(3.5)**	9.8	(3.6)
Total	**362.7**	371.1	1,603.7	**13.6**	29.6	77.3	**18.9**	34.1	95.7

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

3. Operating Costs

Operating costs are analysed as follows:

	First Quarter 2014 Unaudited £m	First Quarter 2013 Unaudited £m	Year ended 31 March 2013 Audited £m
Energy costs	**326.8**	319.5	1,432.7
Employee costs	**5.1**	5.2	21.4
Depreciation and amortisation	**5.3**	4.5	18.4
Other operating charges	**11.9**	12.3	53.9
Total pre exceptional	**349.1**	341.5	1,526.4
Exceptional costs (note 4):			
Energy costs	**-**	0.6	0.6
	-	0.6	0.6
Total	**349.1**	342.1	1,527.0

4. Exceptional Items

	First Quarter 2014 Unaudited £m	First Quarter 2013 Unaudited £m	Year ended 31 March 2013 Audited £m
Recognised before arriving at operating profit:			
- Carbon revenue levy	**-**	(0.6)	(0.6)
Recognised after arriving at operating profit:			
- Profit on disposal of continuing operations	**-**	0.4	0.4

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 First Quarter 2014 was £nil (2013 - £0.6m), and for the year ended 31 March 2013 £0.6m.

Profit on disposal of continuing operations for the First Quarter 2014 of £0.4m relates to the sale of 25% of Eco Wind Power Limited on 15 June 2012 as outlined in note 12 of the Group's annual report and accounts for the year ended 31 March 2013.

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

	First Quarter 2014 Unaudited £m	First Quarter 2013 Unaudited £m	Year ended 31 March 2013 Audited £m
- Carbon revenue levy	-	0.1	0.1

5. Net Interest Payable

	First Quarter 2014 Unaudited £m	First Quarter 2013 Unaudited £m	Year ended 31 March 2013 Audited £m
Interest receivable			
Bank interest	**-**	0.1	0.3
Interest from associate	**0.2**	-	0.7
	0.2	0.1	1.0
Interest payable			
Bank loans and borrowings	**(1.4)**	(1.9)	(6.1)
Senior secured notes interest	**(11.7)**	(11.8)	(47.4)
Interest payable to parent undertaking	**(6.5)**	(5.9)	(23.4)
	(19.6)	(19.6)	(76.9)
Interest rate swaps	**-**	-	(0.6)
Exchange on net foreign currency borrowings			
Net exchange gain/(loss) on net foreign currency borrowings	**5.7**	(12.3)	7.2
Less: (credited)/charged to the statement of total recognised gains and losses	**(3.3)**	7.5	(3.4)
Net exchange gain/(loss) charged to the profit and loss account	**2.4**	(4.8)	3.8
Other finance costs			
Premium on redemption of senior secured notes	**(1.2)**	-	-
Amortisation of financing charges	**(1.0)**	(0.7)	(3.7)
Unwinding of discount on decommissioning provision	**-**	-	(0.1)
Other finance charges	**(0.1)**	(0.1)	(0.5)
Total other finance costs	**(2.3)**	(0.8)	(4.3)
Group net interest payable	**(19.3)**	(25.1)	(77.0)
Share of associates' interest	**(0.6)**	(0.7)	(2.4)
Total net interest payable	**(19.9)**	(25.8)	(79.4)

6. Tax credit/(charge)

	First Quarter 2014 Unaudited £m	First Quarter 2013 Unaudited £m	Year ended 31 March 2013 Audited £m
Tax on profit on ordinary activities			
Current tax credit/(charge)			
Corporation tax	**2.0**	(2.4)	(0.5)
Corporation tax over provided in previous years	**-**	-	2.4
	2.0	(2.4)	1.9
Deferred tax (charge)/credit			
Origination and reversal of timing differences in current year	**(0.1)**	1.1	8.2
Origination and reversal of timing differences in prior year	**-**	0.2	(0.8)
Effect of decreased rate on opening liability	**-**	-	(0.1)
Share of associates tax	**-**	-	0.1
	(0.1)	1.3	7.4
Tax credit/(charge) on profit on ordinary activities	**1.9**	(1.1)	9.3

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.

6. Tax credit/ (charge) (continued)

Deferred tax arising in the UK has been calculated at 23% as at 30 June 2013 reflecting HMRC enactment in July 2012, of a reduction in the UK corporation tax rate effective from 6 April 2013. HM Treasury have announced their intention for the main rate of corporation tax to decrease to 21% from 1 April 2014 and 20% from 1 April 2015. This decrease in rates is not enacted at the balance sheet date.

In view of this planned reduction in UK corporation tax rates the Group expects that the prevalent rate of corporation tax in the Group will reduce in future.

7. Dividends

No interim dividend has been paid or proposed for First Quarter 2014 (2013 - £nil). No dividends were paid or proposed for the year ended 31 March 2013.

8. Gross Capital Expenditure

	First Quarter 2014 Unaudited £m	First Quarter 2013 Unaudited £m	Year ended 31 March 2013 Audited £m
Property, plant & equipment	**3.2**	1.2	6.6
Intangible assets – computer software	**1.2**	1.0	3.4
	4.4	2.2	10.0

9. Investments

	As at 30 June 2013 Unaudited £m	As at 30 June 2012 Unaudited £m	As at 31 March 2013 Audited £m
Investment in parent undertakings Junior bank facility	**345.8**	333.5	342.8
Other investment	**0.7**	0.7	0.7
	346.5	334.2	343.5
Investment in associate undertaking	**8.9**	9.8	9.8
	355.4	344.0	353.3

10. Debtors

	As at 30 June 2013 Unaudited £m	As at 30 June 2012 Unaudited £m	As at 31 March 2013 Audited £m
Amounts falling due within one year:			
Trade debtors (including unbilled consumption)	**136.2**	143.4	170.0
Prepayments and accrued income	**18.7**	13.0	21.0
Security deposits	**3.7**	3.0	3.5
Other debtors	**2.4**	7.5	8.0
Amounts owed by associates	**-**	-	0.1
Amounts owed by fellow subsidiary	**0.1**	-	-
	161.1	166.9	202.6

11. Creditors

	As at 30 June 2013 Unaudited £m	As at 30 June 2012 Unaudited £m	As at 31 March 2013 Audited £m
Amounts falling due within one year:			
Trade creditors	**49.4**	47.9	64.5
Amounts owed to associate undertaking	**1.7**	0.7	2.2
Other creditors	**26.2**	24.9	28.1
Payments received on account	**27.4**	23.1	28.4
Interest payable on loans	**12.0**	16.4	1.1
Corporation tax	**2.0**	8.6	4.1
Tax and social security	**1.4**	3.9	2.7
Accruals	**116.9**	115.6	141.2
Senior revolving credit facility	**18.6**	8.0	-
Deferred consideration	**1.7**	-	-
	257.3	249.1	272.3

	As at 30 June 2013 Unaudited £m	As at 30 June 2012 Unaudited £m	As at 31 March 2013 Audited £m
Amounts falling due after more than one year:			
External borrowings			
Senior secured notes	**358.5**	374.2	392.5
	358.5	374.2	392.5
Subordinate shareholder loan			
Loan from parent undertaking	**550.2**	652.9	543.6
Interest payable on shareholder loan	**1.3**	-	1.3
	910.0	1,027.1	937.4

12. Net Debt

	As at 30 June 2013 Unaudited £m	As at 30 June 2012 Unaudited £m	As at 31 March 2013 Audited £m
Cash at bank and in hand	**9.4**	6.6	24.7
Current asset investments	**29.6**	41.1	25.6
Loan receivable from fellow subsidiary	**0.1**	-	-
Debt due within one year	**(30.6)**	(24.4)	(1.1)
Debt due after more than one year	**(910.0)**	(1,027.1)	(937.4)
Investment in Junior bank facility	**345.8**	333.5	342.8
	(555.7)	(670.3)	(545.4)

13. Reconciliation of Shareholders' Funds and Movements in Reserves

	Share capital £m	**Share premium £m**	**Accumulated losses £m**	**Capital Contribution £m**	**Total £m**
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	**-**	**-**	(20.6)	-	(20.6)
Capital contribution received	**-**	**-**	-	125.5	125.5
At 31 March 2013	**-**	**510.0**	**(477.1)**	**125.5**	**158.4**
Total recognised gains and losses relating to the period	**-**	**-**	(12.6)	-	(12.6)
At 30 June 2013	**-**	**510.0**	**(489.7)**	**125.5**	**145.8**

During the year ended 31 March 2013 the Company received a capital contribution of £125.5m as a result of Viridian Group Holdings Limited, the Company's immediate parent, waiving a portion of the subordinated shareholder loan.

14. Notes to the Group Cash Flow Statement

Reconciliation of Operating Profit to Cash Flow from Operating Activities:

	First Quarter 2014 Unaudited £m	First Quarter 2013 Unaudited £m	Year ended 31 Mar 2013 Audited £m
Operating profit	**5.5**	20.8	44.4
Adjustments for:			
Amortisation/impairment of goodwill	**8.1**	8.2	32.3
Depreciation of fixed assets	**4.6**	4.1	15.9
Amortisation of software costs	**0.8**	0.4	2.8
Amortisation of grants and contributions	**(0.1)**	-	(0.3)
Revaluation of emissions assets	**-**	-	8.5
Defined benefit pension charge less contributions paid	**-**	-	(1.3)
Operating cash flows before movement in working capital	**18.9**	33.5	102.3
Decrease/ (increase) in stock	**-**	0.2	(0.4)
Decrease/(increase) in debtors	**38.9**	9.4	(26.2)
(Increase)/decrease in security deposits	**(0.2)**	36.0	35.6
(Decrease)/ increase in creditors	**(40.5)**	(25.7)	30.6
Effects of foreign exchange	**(0.8)**	0.6	0.6
Net cash inflow from operating activities	**16.3**	54.0	142.5

Net cash inflow from operating activities in First Quarter 2014 includes exceptional cash outflows of £nil in respect of the payment of carbon revenue levy costs (First Quarter 2013 - £1.2m and year ended 31 March 2013 - £1.8m).