Viridian Group Investments Limited

Unaudited Interim Consolidated Financial Statements

First Quarter 2015

GROUP FINANCIAL HIGHLIGHTS

Underlying Business Results[1]

- Group pro-forma Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) for First Quarter 2015 was £23.2m (2014 - £21.6m)

- Group pro-forma operating profit for First Quarter 2015 was £18.3m (2014 - £16.3m)

IFRS Results

- Revenue for First Quarter 2015 was £336.3m (2014 - £362.7m)

- Operating profit before exceptional items and certain remeasurements for First Quarter 2015 was £29.2m (2014 - £12.8m)

[1] Based on regulated entitlement and before exceptional items and certain remeasurements as outlined in note 2.

MANAGEMENT REPORT

The directors of Viridian Group Investments Limited present their condensed interim consolidated financial statements for the 3 months ended 30 June 2014 (First Quarter 2015) including comparatives for the 3 months ended 30 June 2013 (First Quarter 2014). 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 2015. These comprise:

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

- Power NI – supply of electricity primarily to residential customers in Northern Ireland; and

- PPB – procurement of power under contract with the Ballylumford power station in Northern Ireland.

Strategy

The Group's strategy is focused on leveraging its integrated business model to maintain and enhance its position as a leading independent all-island energy utility and to capture available margin arising in all parts of the value chain in all its businesses, both regulated and unregulated. The Group continually seeks opportunities for margin improvement and will look for growth through complementary acquisition opportunities. Management continues to focus on five strategic objectives which underpin Viridian's strategy:

- improve profitability and maintain stable cash flows;

- maintain high availability of generation plants;

- continue to drive organic growth through expansion principally 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 and Operating Profit

The Group's pro-forma EBITDA and Operating Profit (pre exceptional items and certain remeasurements) by business are shown below:

	EBITDA			Operating Profit		
	First Quarter 2015 £m	First Quarter 2014 £m	Year ended 31 March 2014 £m	**First Quarter 2015 £m**	First Quarter 2014 £m	Year ended 31 March 2014 £m
Energia Group	**15.5**[1]	15.7[1]	70.8[1]	**11.3**[2]	11.1[2]	52.4[2]
Power NI [3]	**7.0**	5.5	25.0	**6.3**	4.8	22.4
PPB[3]	**1.3**	1.2	5.5	**1.3**	1.2	5.5
Other	**(0.6)**	(0.8)	(2.3)	**(0.6)**	(0.8)	(2.4)
	23.2	21.6	99.0	**18.3**	16.3	77.9

[1] As shown in note 2 to the accounts including EBITDA from renewable windfarm assets £0.2m (2014 – £nil); year ended 31 March 2014 £0.4m loss
[2] As shown in note 2 to the accounts including operating profit from renewable windfarm assets £0.1m (2014 – £nil); year ended 31 March 2014 £0.4m loss
[3] As shown in note 2 to the accounts

Energia Group EBITDA (excluding EBITDA from renewable windfarm assets and pre exceptional items and certain remeasurements) decreased to £15.3m (2014 - £15.7m) primarily reflecting lower contribution from renewable PPAs (reflecting lower ROC sales, lower market prices and lower average wind output partially offset by higher contracted capacity), increased costs associated with entering the RoI residential market, adverse foreign exchange due to the strengthening of Sterling to Euro during the period compared to the same period last year and lower availability of the Huntstown plant including higher operating costs partly offset by an increase in Huntstown margin associated with the change in booking variable gas capacity costs versus annual fixed gas capacity costs last year.

Energia Group operating profit (excluding renewable windfarm assets and pre exceptional items and certain remeasurements) increased to £11.2m (2014 - £11.1m) primarily due to lower depreciation on the Huntstown plant following the impairment recognised in the year ended 31 March 2014, partly offset by the reasons described above for EBITDA.

Power NI EBITDA increased to £7.0m (2014 - £5.5m) primarily reflecting higher unregulated earnings due to higher unregulated sales together with lower operating costs.

Power NI operating profit increased to £6.3m (2014 - £4.8m) reflecting the increase in EBITDA described above.

PPB EBITDA and operating profit remained broadly flat at £1.3m (2014 - £1.2m).

Business Reviews

Energia Group

KPIs	**First Quarter 2015**	First Quarter 2014	Year end 31 March 2014
Availability (%)			
- Huntstown 1	**99.9**	100.0	100.0
- Huntstown 2	**89.8**	96.1	98.8
Utilisation (%)			
- Huntstown 1	**4.4**	0.0	1.0
- Huntstown 2	**35.7**	32.8	24.7
Energia electricity sales (TWh)	**1.2**	1.2	5.2
Energia gas sales (million therms)	**12.8**	17.0	6.4
Contracted renewable generation capacity in operation in Northern Ireland and the RoI (MW)			
- average during the period	**689**	594	607
- at end of period	**692**	599	687

Huntstown 1 availability for First Quarter 2015 was 99.9% (2014 – 100.0%).

Huntstown 2 availability for First Quarter 2015 was 89.8% (2014 – 96.1%) reflects a 9 day planned outage which commenced on 20 May 2014. Availability in First Quarter 2014 reflected a 35 day major planned outage which was completed on 6 April 2013.

Huntstown 1 utilisation for First Quarter 2015 increased slightly to 4.4% (2014 – 0.0%).

Huntstown 2 utilisation for First Quarter 2015 increased slightly to 35.7% (2014 – 32.8%).

Energia business electricity sales remained flat at 1.2TWh for First Quarter 2015 (2014 - 1.2TWh) and business customer sites supplied were 61,100 at 30 June 2014 (31 March 2014 – 61,100).

Energia business gas sales were 12.8m therms for First Quarter 2015 (2014 – 17.0m therms), while the number of business customer sites supplied was 4,300 at 30 June 2014 (31 March 2014 – 4,200).

Energia residential electricity and gas sites supplied at 30 June 2014 were 21,700 (31 March 2014 – 10,000) following entry into the RoI residential market in January 2014.

On 5 August 2014 the Regulatory Authorities published their final decision on the capacity pot available for calendar year 2015. The pot has been set at €574.95m (2014 - €565.82m) representing a 1.6% increase.

Energia Group (continued)

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 equity interest) and a development pipeline of windfarm projects owned by the Energia Group.

Offtake contracts[1] - Energia has entered into contracts with developers under which it has agreed to purchase the long term output of a number of windfarm projects and with generators from other renewable sources as shown below:

MW	Operating	Under construction	In development	Total
NI	249	82	49	380
RoI	443	6	100	549
	692	**88**	**149**	**929**

The average contracted renewable generation capacity in operation during the period was 689MW (2014 - 594MW) with 30 June 2014 capacity increasing to 692MW (31 March 2014 - 687MW).

During the First Quarter 2015 the operating capacity under contract in Northern Ireland increased to 249MW (31 March 2014 – 248MW) and the RoI operating capacity increased to 443MW (31 March 2014 – 439MW) as new windfarms were commissioned. 82MW of contracted capacity in Northern Ireland and 6MW of contracted capacity in the RoI relates to windfarms which are currently under construction. The windfarms being developed (149MW) are expected to become operational in the next three years. Energia is aiming to negotiate further contracts with windfarm developers and generators from other renewable sources in both Northern Ireland and the RoI.

Direct investment – The Group currently owns windfarm projects with the following forecast generation capacity as at 30 June 2014:

MW	Operating	Under construction	In development	Total
NI	0	25	35	60
RoI	9	0	95[2]	104
	9	**25**	**130**	**164**

At 30 June 2014 the Energia Group has a direct investment in 9MW of operating wind generation capacity in the RoI which was commissioned in February 2014. The Energia Group also has a direct investment in 155MW of fully-consented in-development windfarm capacity which comprises 60MW in Northern Ireland (of which 25MW is in construction) and 95MW 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 (43MW) which are in various stages of obtaining planning permission and grid connections.

In May 2014 non-recourse project finance facilities of £6.8m were put in place in respect of a 5MW windfarm project in Northern Ireland which is currently under construction.

The Energia Group also retains a minority share of 25% in the RoI windfarm projects and 20% in the Northern Ireland windfarm projects sold to AMP in June 2012 with combined minority share capacity of 23.5MW.

[1] Numbers include offtake contracts between Energia and direct investment windfarms
[2] Includes 64MW majority owned by the Energia Group and 31MW for which the acquisition of the minority partner's share will become effective on financial close

Power NI

KPI	**First Quarter 2015**	First Quarter 2014	Year end 31 March 2014
Stage 2 complaints to the Consumer Council (number)	**3**	-	7
Customers (number)			
- Residential	**559,000**	574,000	562,000
- Non-residential	**37,000**	36,000	37,000
	596,000	610,000	599,000
Electricity sales (TWh)	**0.7**	0.7	3.0

During the First Quarter 2015 Power NI received 3 (2014 - nil) Stage 2 complaints.

Residential customer numbers decreased slightly to 559,000 at 30 June 2014 (31 March 2014 – 562,000). Non-residential customer numbers remained at 37,000 (31 March 2014 – 37,000).

Electricity sales remained flat at 0.7TWh (2014 – 0.7TWh).

PPB

As at 30 June 2014 the generation capacity remaining under contract to PPB comprised 600MW with Ballylumford (31 March 2014 – 600MW).

On 19 March 2014 the Utility Regulator published a consultation paper on the possible cancellation of all remaining generation capacity under contract to PPB with effect from December 2014 based on their economic assessment of the contracts. In its response to the consultation on 30 April 2014, PPB disagreed with the Utility Regulator's assessment and strongly challenged the Utility Regulator's analysis and highlighted areas of significant value to Northern Ireland customers through the retention of these contracts. The Utility Regulator published an update paper on 31 July 2014 that indicates their updated analysis shows the contracts in their own right are expected to provide value but this is offset by the administrative cost of PPB. PPB has expressed in its response to the consultation, a willingness to consider a different structure for its next price control period from April 2015 which may reduce the avoidable costs for customers. The Utility Regulator has indicated that it plans to engage with PPB and other interested parties to ensure any decision on whether or not to issue notice of cancellation (6 months' notice required) is in customers' best interest. A recommendation will be made to the Utility Regulator's Board meeting in September with an announcement expected shortly thereafter.

Regulation Update

Single Electricity Market

The European Union (EU) has developed legislation to establish a European Electricity Target Model (EU Target Model) by 2014 to facilitate a pan-European Electricity Market. The new rules are binding on all EU member states. The EU Target Model is designed to harmonise cross border trading arrangements across all European electricity markets. Unlike the SEM's mandatory gross pool structure with central dispatch, most electricity markets in Europe are bilateral markets and are broadly compatible with the EU Target Model design. Because of the significant changes required to the SEM, a two year derogation has been granted to Northern Ireland and the RoI. The new integrated Single Electricity Market (I-SEM) for the all island electricity market must therefore be compliant with the EU Target Model by the end of 2016. The Governments of Northern Ireland and the RoI have charged the SEM Committee with responsibility for revising the SEM so that trading arrangements for the island of Ireland are compliant with EU requirements.

The SEM Committee published its I-SEM High Level Design (HLD) paper on 9 June 2014. Among the proposals in the HLD Paper is a new, centralised, primary energy market, the Day Ahead Market (DAM), intended to bring about greater integration among European energy markets. Participation in the DAM will be mandatory, with the possibility of a few exceptions, to be finalised during the detailed market design phase. The DAM will provide the initial market position for participants in the energy market, with those positions then able to be refined through optional participation in the common European intra-day electricity market. Participation in the European balancing market is mandated and that market will set the single clearing price for settling imbalances as compared to the positions held in the DAM.

The SEM Committee has determined in the HLD paper that a capacity remuneration mechanism (CRM) is to be incorporated in the I-SEM. The proposed CRM for the I-SEM will be quantity-based in the form of "reliability options" issued by a central authority. There will be further consideration of the other elements of the CRM, including the capacity requirement, the strike and reference prices, eligibility, penalty arrangements for non-delivery, auction rules and supplier funding during the detailed market design phase.

Following a HLD decision consultation period which closed on 25 July 2014, the SEM Committee is expected to publish its final decision on HLD in early September. The detailed market design phase of the project will commence following the publication of the final HLD decision, with full implementation of the I-SEM arrangements to be completed by December 2016.

Summary of Financial Performance

Conversion to IFRS

The Company previously presented its interim consolidated financial statements under UK GAAP. The consolidated financial statements for the year ended 31 March 2014 were the first the Group prepared under IFRS. These condensed interim consolidated financial statements for the 3 months ended 30 June 2014 have been prepared under IFRS. Note 19 to the financial statements presents the equivalent income statement and balance sheet for the 3 months ended 30 June 2013 under UK GAAP with reconciliations between UK GAAP and IFRS.

Revenue

Revenue from continuing operations increased to £336.3m (2014 - £362.7m). The breakdown by business is as follows:

	First Quarter 2015 £m	First Quarter 2014 £m	Year end 31 March 2014 £m
Energia Group	**202.8**	239.5	1,014.2
Power NI (based on regulated entitlement)	**96.4**	100.6	458.3
PPB (based on regulated entitlement)	**27.1**	26.2	131.3
Adjustment for over/(under)-recovery	**10.9**	(3.5)	(2.4)
Inter business elimination	**(0.9)**	(0.1)	(1.4)
Total revenue from continuing operations	**336.3**	362.7	1,600.0

Energia Group revenue decreased to £202.8m (2014 - £239.5m) primarily reflecting lower renewable PPA revenues (associated with lower ROC sales, lower market prices and lower average wind output partially offset by higher contracted capacity), lower retail gas sales volumes, lower electricity prices (associated with lower gas prices), lower trading over the interconnector and the adverse impact of foreign exchange translation (with the strengthening of Sterling to Euro compared to last year) partly offset by increased revenue from Energia's entry into the residential domestic market in the ROI.

Power NI revenue (based on regulated entitlement) decreased to £96.4m (2014 - £100.6m) primarily due to the reduction in residential customer numbers partly offset by the increase in residential tariffs effective 1 July 2014.

PPB revenue (based on regulated entitlement) increased to £27.1m (2014 - £26.2m) primarily due to higher utilisation of the Ballylumford plant.

During the First Quarter 2015 the Power NI Energy regulated businesses over-recovered against their regulated entitlement by £10.9m (2014 – under-recovered by £3.5m) and at 30 June 2014 the cumulative under-recovery against regulated entitlement was £8.2m. The under-recovery of regulated entitlement reflects the phasing of tariffs.

Operating costs

Operating costs (pre exceptional items and certain remeasurements) decreased to £307.1m (2014 - £349.9m) and 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 fixed and variable natural gas capacity costs for the Huntstown plants, emissions costs, use of system charges and costs for third party renewable PPAs. Energy costs decreased to £284.2m (2014 - £326.8m) primarily reflecting the impact of foreign exchange translation (with the strengthening of Sterling to Euro compared to last year) together with lower renewable PPA costs (associated with lower average wind output partially offset by higher contracted capacity), lower wholesale energy costs (associated with lower gas prices), lower costs from trading over the interconnector and lower retail gas sales volumes.

Employee costs include salaries, social security costs and pension costs. Employee costs increased to £5.5m (2014 – £5.1m) and includes the insourcing of 13 staff from Capita Managed Services effective 1 April 2014.

Operating costs (continued)

Depreciation and amortisation decreased to £4.9m (2014 – £5.3m) primarily due to a lower depreciation charge on the Huntstown plant following the impairment recognised in the year ended 31 March 2014.

Other operating charges include costs such as operating and maintenance costs, insurance, local business taxes, consultancy, marketing, licence fees and IT services. Other operating charges decreased to £12.5m (2014 - £12.7m) primarily due to lower Power NI operating costs, the impact of foreign exchange translation (with the strengthening of Sterling to Euro compared to last year), the insourcing of staff from Capita Managed Services partly offset by higher plant maintenance costs reflecting an outage in Huntstown 2 in May 2014 and higher costs associated with Energia's entry into the RoI residential market.

Group operating profit

Operating profit (pre exceptional items and certain remeasurements) increased to £29.2m (2014 - £12.8m) reflecting an increase in Power NI operating profit together with an over-recovery of regulated entitlement.

	First Quarter 2015 £m	First Quarter 2014 £m	Year end 31 March 2014 £m
Energia Group	**11.3**	11.1	52.4
Power NI	**6.3**	4.8	22.4
PPB	**1.3**	1.2	5.5
Other	**(0.6)**	(0.8)	(2.4)
Group pro-forma operating profit	**18.3**	16.3	77.9
Over/(under)-recovery of regulated entitlement	**10.9**	(3.5)	(2.4)
Operating profit	**29.2**	12.8	75.5

All of the above amounts are pre exceptional items and certain remeasurements as shown in note 2 to the accounts

Group pro-forma operating profit (pre exceptional items and certain remeasurements) for First Quarter 2015 increased to £18.3m (2014 - £16.3m) reflecting an increase in Power NI operating profit from £4.8m to £6.3m and an increase in Energia Group operating profit from £11.1m to £11.3m.

Energia Group operating profit for First Quarter 2015 increased to £11.3m (2014 - £11.1m). Excluding operating profit from renewable windfarm assets of £0.1m (2014 - £nil), Energia Group operating profit increased to £11.2m (2014 - £11.1m) reflecting a lower depreciation charge partly offset by the decrease in EBITDA outlined previously.

Power NI operating profit increased to £6.3m (2014 - £4.8m) reflecting the increase in EBITDA outlined previously.

PPB operating profit remained broadly flat at £1.3m (2014 - £1.2m).

Exceptional items and certain remeasurements

Certain remeasurements include a £5.1m loss on the recognition of the fair value movements of derivatives (2014 - £0.2m loss) as outlined in note 4 to the accounts.

Net finance costs

Net finance costs (pre exceptional items and certain remeasurements) increased from £18.8m to £21.4m primarily reflecting foreign exchange translation losses and higher interest cost on the interest bearing portion of the subordination shareholder loan reflecting the capitalisation of PIK interest, partly offset by lower interest cost of the senior secured notes as a result of the partial redemption of 9.3% of the original issue amount on 4 June 2013 .

Tax credit

The total tax credit (pre exceptional items and certain remeasurements) was £2.7m (2014 – £1.9m).

Cash flow before acquisitions, disposals, interest and tax

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

	First Quarter 2015 £m	First Quarter 2014 £m	Year end 31 March 2014 £m
Group pro-forma EBITDA [1]	**23.2**	21.6	99.0
Defined benefit pension charge less contributions paid	**-**	-	(1.5)
Net movement in security deposits	**(3.4)**	(0.2)	1.1
Changes in working capital [2]	**(0.1)**	(0.8)	(10.1)
Over/(under)-recovery of regulated entitlement	**10.9**	(3.5)	(2.4)
Foreign exchange translation	**(0.3)**	(0.8)	(0.2)
Exceptional cash outflows	**-**	-	(3.3)
Cash flow from operating activities	**30.3**	16.3	82.6
Net capital expenditure [3]	**(6.2)**	(4.4)	(23.5)
Proceeds from sale and purchases of other intangibles	**(3.8)**	3.1	1.1
Cash flow before acquisitions, disposals, interest and tax	**20.3**	15.0	60.2

(1) Includes EBITDA of renewable windfarm assets of £0.2m (2014 - £nil); year ended 31 March 2014 £0.4m loss
(2) Includes changes in working capital of renewable windfarm assets of £0.9m increase (2014 – £0.8m increase); year ended 31 March 2014 £0.3m increase
(3) Includes capital expenditure on renewable windfarm assets of £5.6m (2014 - £2.4m); year ended 31 March 2014 £19.3m

Group cash flow from operating activities increased to £30.3m (2014 - £16.3m) primarily reflecting an over-recovery of regulated entitlement £10.9m (2014 – under-recovery £3.5m) and the increase in Group pro-forma EBITDA of £23.2m (2014 - £21.6m) partially offset by an increase in cash outflow from security deposits £3.4m (2014 – £0.2m).

Net movement in security deposits

The net movement in security deposits was an outflow of £3.4m (2014 – £0.2m). As at 30 June 2014 there were £5.8m of security deposits in place.

Changes in working capital

Working capital consists of inventories plus trade and other receivables (primarily retail energy sales including unbilled consumption, wholesale energy income, 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.

Working capital increased by £0.1m (2014 – increase of £0.8m) due to an increase in the working capital requirements of PPB, other Viridian holding companies and the Energia Group partly offset by a reduction in the working capital requirements of Power NI.

Energia Group working capital increased by £2.2m (2014 – increase of £1.4m). Excluding changes in the working capital of renewable windfarm assets, Energia Group working capital increased by £1.3m (2014 – increase of £0.6m) primarily due to a reduction in trade creditors and accruals (primarily due to lower market prices and volumes, lower gas prices and lower wind output) and a lower emissions liability (reflecting settlement of the 2014 annual compliance in April 2014) partly offset by a reduction in trade debtors and accrued income (due to lower market prices together with lower sales prices and a seasonal reduction in electricity and gas sales volumes).

Working capital at Power NI decreased by £12.1m (2014 - decrease of £8.7m) primarily due to lower Power NI trade debtors (net of payments on account) and accrued income (primarily reflecting the seasonal reduction in sales volumes and lower customer numbers) together with an increase in the ROC creditors (reflecting a higher obligation rate) partly offset by a reduction in trade creditors and accruals (reflecting seasonal reduction in sales volumes).

Changes in working capital (continued)

Working capital at PPB increased by £6.1m (2014 - increase of £11.8m) primarily due to a reduction in trade creditors and accruals (primarily reflecting lower running of the Ballylumford plant in June 2014 compared to March 2014) partly offset by lower accrued income (reflecting lower Ballylumford plant output in June 2014 compared to March 2014 and lower market prices).

Working capital at other Viridian holding companies increased by £3.9m (2014 – decrease of £3.7m) primarily due to timing differences on the payment of Arcapita management fees.

Over/(under)-recovery of regulated entitlement

As noted previously the regulated businesses of Power NI and PPB over-recovered against their regulated entitlement by £10.9m (2014 – under-recovered by £3.5m) and at 30 June 2014 the cumulative under-recovery against regulated entitlement was £8.2m. The under-recovery of regulated entitlement reflects the phasing of tariffs.

Capital expenditure

Net capital expenditure in respect of tangible fixed assets and intangible software assets increased to £6.2m (2014 - £4.4m). Excluding capital expenditure on renewable windfarm assets of £5.6m (2014 - £2.4m), net capital expenditure decreased to £0.6m (2014 - £2.0m).

Net capital expenditure at Energia Group (excluding capital expenditure on renewable wind farm assets) decreased to £0.5m (2014 - £1.7m) primarily reflecting capital expenditure in respect of the Domestic Market Entry project in First Quarter 2014 and the phasing of capital expenditure under the Huntstown plant long term maintenance agreement.

Net capital expenditure at Power NI decreased to £nil (2014 - £0.1m).

Net capital expenditure at other Group companies decreased to £0.1m (2014 - £0.2m).

Other cash flows

Net interest paid

Net interest paid (excluding premium on redemption of senior secured notes and exceptional finance costs) decreased to £1.6m (2014 - £1.8m).

Dividends

Equity dividends paid in First Quarter 2015 were £nil (2014 - £nil).

Net debt

The Group's net debt decreased by £6.2m from £574.7m at 31 March 2014 to £568.5m at 30 June 2014 primarily reflecting the cash flows noted above.

Net debt at 30 June 2014 includes project finance net debt of £18.7m (31 March 2014 - £13.8m). Excluding project financed net debt, net debt was £549.8m (31 March 2014 - £560.9m).

Defined benefit pension liability

The pension liability in the Group's defined benefit scheme under IAS 19 increased to £1.1m at 30 June 2014 (31 March 2014 – £1.0m).

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:

	First Quarter 2015 £m	First Quarter 2014 £m	Year end 31 March 2014 £m
Investments	**1.4**	1.4	1.4
Cash and cash equivalents	**46.9**	37.6	23.5
Senior secured notes	**(337.5)**	(362.4)	(346.5)
Senior revolving credit facility	**-**	(18.6)	-
Subordinated shareholder loan	**(396.1)**	(347.0)	(382.9)
Junior bank facility asset	**146.9**	132.0	144.8
Interest payable	**(11.4)**	(12.0)	(1.2)
Net debt excluding project finance facilities	**(549.8)**	(569.0)	(560.9)
Project finance cash	**3.2**	-	2.8
Project finance bank facility (RoI)	**(10.6)**	-	(10.8)
Project finance bank facility (NI)	**(11.3)**	-	(5.8)
Net debt	**(568.5)**	(569.0)	(574.7)

The Group is financed through a combination of retained earnings, medium term bond issuance and both medium term and long term bank facilities. A summary of the Group's net debt is set out above and in note 14. Liquidity, including short term working capital requirements, is managed through committed Senior revolving credit bank facilities together with available cash resources.

Viridian continues to assess a number of debt and equity capital market options in order to manage its balance sheet efficiently and support the Group's future growth plans.

In May 2014 non-recourse project finance facilities of £6.8m were put in place in respect of a wind farm in Northern Ireland. It is intended that future wind farm projects will also be financed on a non-recourse basis.

On 4 June 2013, the Group redeemed 9.3% of the €313m Euro and $250m Dollar denominated 5 year Senior secured notes due in April 2017 with €283.9m Euro and $226.8m Dollar remaining in issue at 30 June 2014.

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 two 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, to ensure sufficient headroom is maintained.

At 30 June 2014, the Group had letters of credit issued out of the Senior revolving credit facility of £113.4m resulting in undrawn committed facilities of £111.6m (31 March 2014 - £116.4m). Cash drawings under the Senior revolving credit facility at 30 June 2014 were £nil (31 March 2014 - £nil).

During the period the Group has met all required financial covenants in the Senior revolving credit facility and project finance loans.

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 in the Risk Management and Principal Risks and Uncertainties section of the consolidated financial statements for the year ended 31 March 2014.

CONSOLIDATED INCOME STATEMENT
for the period ended 30 June 2014

Continuing operations	Notes	Results before exceptional items and certain re-measurements First Quarter 2015 £m	Exceptional items and certain re-measurements (note 4) First Quarter 2015 £m	Total First Quarter 2015 £m	Results before exceptional items and certain re-measurements First Quarter 2014 £m	Exceptional items and certain re-measurements (note 4) First Quarter 2014 £m	Total First Quarter 2014 £m	Results before exceptional items certain re-measurements Year ended 31 March 2014 £m	Exceptional items and certain re-measurements (note 4) Year ended 31 March 2014 £m	Total Year ended 31 March 2014 £m
Revenue	2	336.3	-	336.3	362.7	-	362.7	1,600.0	-	1,600.0
Operating costs	3	(307.1)	(2.8)	(309.9)	(349.9)	(0.2)	(350.1)	(1,524.5)	(37.1)	(1,561.6)
Operating profit/ (loss)	2	29.2	(2.8)	26.4	12.8	(0.2)	12.6	75.5	(37.1)	38.4
Finance costs	5	(28.6)	(2.3)	(30.9)	(25.2)	-	(25.2)	(96.2)	(13.2)	(109.4)
Finance income	5	7.2	-	7.2	6.4	-	6.4	25.6	-	25.6
Net finance cost		(21.4)	(2.3)	(23.7)	(18.8)	-	(18.8)	(70.6)	(13.2)	(83.8)
Profit on disposal of continuing operations		-	-	-	-	-	-	-	1.6	1.6
Share of loss in associates		(0.5)	-	(0.5)	(0.2)	-	(0.2)	(0.4)	-	(0.4)
Profit/(loss) before tax		7.3	(5.1)	2.2	(6.2)	(0.2)	(6.4)	4.5	(48.7)	(44.2)
Taxation	6	2.7	0.3	3.0	1.9	-	1.9	3.2	4.2	7.4
Profit/ (loss) for the period		10.0	(4.8)	5.2	(4.3)	(0.2)	(4.5)	7.7	(44.5)	(36.8)

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
for the period ended 30 June 2014

	Notes	First Quarter 2015 £m	First Quarter 2014 £m	Year ended 31 March 2014 £m
Profit/ (loss) for the period		**5.2**	(4.5)	(36.8)
Other comprehensive income/(expense)				
Items that will be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations		**11.2**	(4.1)	7.2
Net (loss)/ gain on net investment hedge	5	**(10.8)**	3.7	(8.7)
Net loss on cash flow hedges		**(5.8)**	(4.0)	(13.8)
Transferred loss from equity to income statement on cash flow hedges		**4.7**	1.5	7.8
Share of associates net (loss)/gain on cash flow hedges		**(0.1)**	0.5	0.8
Income tax effect		**0.2**	0.5	1.2
		(1.0)	(1.5)	(4.0)
Net other comprehensive expense to be reclassified to profit or loss in subsequent periods		**(0.6)**	(1.9)	(5.5)
Items that will not be reclassified to profit or loss:				
Remeasurement (loss)/gain on defined benefit scheme		**(0.1)**	0.5	(1.2)
Income tax effect		**-**	(0.1)	0.2
Net other comprehensive (expense)/income that will not be reclassified to profit or loss in subsequent periods		**(0.1)**	0.4	(1.0)
Other comprehensive expense for the period, net of taxation		**(0.7)**	(1.5)	(6.5)
Total comprehensive income/(expense) for the period		**4.5**	(6.0)	(43.3)

CONSOLIDATED BALANCE SHEET
as at 30 June 2014

ASSETS	Notes	30 June 2014 £m	30 June 2013 £m	31 March 2014 £m
Non-current assets:				
Property, plant and equipment		**266.6**	305.4	271.9
Intangible assets		**502.6**	494.0	499.7
Investment in associates		**6.6**	7.7	7.9
Derivative financial instruments	12	**0.5**	1.1	0.5
Other non-current financial assets		**147.5**	132.7	145.4
Deferred tax assets		**17.2**	13.3	16.2
		941.0	954.2	941.6
Current assets:				
Inventories		**4.8**	5.1	5.1
Trade and other receivables	8	**147.3**	157.4	180.7
Derivative financial instruments	12	**8.2**	4.3	8.2
Other current financial assets		**7.2**	5.1	3.8
Cash and cash equivalents	9	**50.1**	37.6	26.3
		217.6	209.5	224.1
TOTAL ASSETS		**1,158.6**	1,163.7	1,165.7
LIABILITIES				
Current liabilities:				
Trade and other payables	10	**(202.5)**	(223.9)	(236.6)
Income tax payable		**(1.7)**	(2.0)	(3.8)
Financial liabilities	11	**(12.4)**	(32.3)	(3.8)
Derivative financial instruments	12	**(22.7)**	(8.3)	(19.5)
Deferred income		**(0.2)**	(0.2)	(0.3)
		(239.5)	(266.7)	(264.0)
Non-current liabilities:				
Financial liabilities	11	**(756.2)**	(709.4)	(745.6)
Derivative financial instruments	12	**(15.5)**	(0.6)	(12.9)
Deferred income		**(0.6)**	(1.0)	(0.6)
Net employee defined benefit liabilities		**(1.1)**	(0.7)	(1.0)
Deferred tax liabilities		**(12.9)**	(19.6)	(13.6)
Provisions		**(11.6)**	(11.7)	(11.3)
		(797.9)	(743.0)	(785.0)
TOTAL LIABILITIES		**(1,037.4)**	(1,009.7)	(1,049.0)
NET ASSETS		**121.2**	154.0	116.7
Equity				
Share capital		**-**	-	-
Share premium		**510.0**	510.0	510.0
Retained earnings		**(498.1)**	(469.5)	(503.2)
Capital contribution reserve		**115.2**	115.2	115.2
Hedge reserve		**(7.0)**	(3.5)	(6.0)
Foreign currency translation reserve		**1.1**	1.8	0.7
TOTAL EQUITY		**121.2**	154.0	116.7

The condensed interim consolidated financial statements were approved by the Board of directors and authorised for issue on 27 August 2014.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2014

	Share capital £m	Share premium £m	Retained earnings £m	Capital contribution reserve £m	Hedge reserve £m	Foreign currency translation reserve £m	Total equity £m
At 1 April 2013	**-**	**510.0**	**(465.4)**	**115.2**	**(2.0)**	**2.2**	**160.0**
Loss for the period	-	-	(4.5)	-	-	-	(4.5)
Other comprehensive income/(expense)	-	-	0.4	-	(1.5)	(0.4)	(1.5)
Total comprehensive expense	-	-	*(4.1)*	-	*(1.5)*	*(0.4)*	*(6.0)*
At 30 June 2013	**-**	**510.0**	**(469.5)**	**115.2**	**(3.5)**	**1.8**	**154.0**
At 1 April 2013	**-**	**510.0**	**(465.4)**	**115.2**	**(2.0)**	**2.2**	**160.0**
Loss for the year	-	-	(36.8)	-	-	-	(36.8)
Other comprehensive (expense)/income	-	-	(1.0)	-	(4.0)	(1.5)	(6.5)
Total comprehensive (expense)*/income*	-	-	*(37.8)*	-	*(4.0)*	*(1.5)*	*(43.3)*
At 31 March 2014	**-**	**510.0**	**(503.2)**	**115.2**	**(6.0)**	**0.7**	**116.7**
Profit for the period	-	-	5.2	-	-	-	5.2
Other comprehensive (expense)/income	-	-	(0.1)	-	(1.0)	0.4	(0.7)
Total comprehensive income/(expense)	-	-	*5.1*	-	*(1.0)*	*0.4*	*4.5*
At 30 June 2014	**-**	**510.0**	**(498.1)**	**115.2**	**(7.0)**	**1.1**	**121.2**

CONSOLIDATED STATEMENT OF CASH FLOWS
for the period ended 30 June 2014

	Notes	First Quarter 2015 £m	First Quarter 2014 £m	Year ended 31 March 2014 £m
Cash generated from operations before working capital movements	13	**34.1**	18.1	91.8
Working capital adjustments:				
Decrease in inventories		**0.2**	-	-
Decrease in trade and other receivables		**33.4**	38.9	15.4
(Increase)/decrease in security deposits		**(3.4)**	(0.2)	1.1
Decrease in trade and other payables		**(33.7)**	(39.7)	(25.5)
Effects of foreign exchange		**(0.3)**	(0.8)	(0.2)
		30.3	16.3	82.6
Interest received		**0.1**	0.3	0.7
Interest paid		**(1.7)**	(2.1)	(50.4)
Exceptional finance costs		**-**	(0.2)	(0.6)
Note redemption premium		**-**	(1.2)	(1.2)
		(1.6)	(3.2)	(51.5)
Income tax paid		**(0.1)**	-	(0.1)
Net cash flows from operating activities		**28.6**	13.1	31.0
Investing activities				
Purchase of property, plant and equipment		**(5.8)**	(3.2)	(21.8)
Contributions in respect of tangible fixed assets		**-**	-	0.7
Purchase of intangible assets		**(7.6)**	(4.1)	(21.8)
Proceeds from sale of intangible assets		**3.4**	6.0	20.5
Disposal of subsidiary, net of cash disposed		**-**	-	(0.3)
Dividends received from associates		**0.5**	0.6	0.8
Interest received from associates		**0.2**	-	0.6
Acquisition of subsidiary		**(0.5)**	(2.8)	(8.5)
Net cash flows used in investing activities		**(9.8)**	(3.5)	(29.8)
Financing activities				
Proceeds from issue of borrowings		**5.9**	18.5	18.4
Repayment of borrowings		**-**	(39.8)	(39.8)
Issue costs of new long term loans		**(0.4)**	-	(1.6)
Net cash flows from /(used in) financing activities		**5.5**	(21.3)	(23.0)
Net increase/(decrease) in cash and cash equivalents		**24.3**	(11.7)	(21.8)
Net foreign exchange difference		**(0.5)**	0.4	(0.8)
Cash and cash equivalents at period start	9	**26.3**	48.9	48.9
Cash and cash equivalents at period end	9	**50.1**	37.6	26.3

1 BASIS OF PREPARATION

The condensed interim consolidated financial statements of the Group have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union.

The accounting policies applied by the Group in these condensed interim consolidated financial statements are the same as those applied by the Group in its revised consolidated financial statements for the year ended 31 March 2014.

A number of new European Union endorsed standards and amendments to existing standards are effective for periods beginning on or after 1 April 2014. However, none of these have a material, if any, impact on the annual or condensed interim consolidated financial statements of the Group in 2014/15.

Subsequent to the issue of the revised consolidated financial statements dated 24 July 2014 for the year ended 31 March 2014 it was found that, on conversion of the Group's financial statements from UK GAAP to IFRS, certain tranches of the USD denominated Senior secured notes ("the USD notes") had incorrectly continued to be measured at the cross currency swap rates used for translation under UK GAAP. The liability for these USD notes should have been translated at the spot rate of exchange at each of the reporting dates of 31 March 2012, 31 March 2013 and 31 March 2014 with the resulting exchange differences recognised in profit or loss. Further, exchange gain or losses arising on the tranche of the USD notes swapped into Euros had incorrectly continued to be treated as part of the hedge of the Group's net investment of a foreign operation and hence recognised within other comprehensive income rather than in profit or loss. The amounts concerned in relation to each of these matters insofar as they impact upon the revised consolidated financial statements for the year ended 31 March 2014 are as follows:

	2014 **£m**
Retranslation gain to be recognised within profit or loss	12.6
Exchange gain that should have been recognised in profit or loss	1.1
Amount of decrease in financial liability	(8.0)

Given the significance of the amounts involved the comparative information for 31 March 2014 presented in these condensed interim consolidated financial statements has been revised for the effects of the above matters and the directors intend to issue a further set of revised financial statements for the year ended 31 March 2014.

The condensed interim consolidated financial statements of the Group were approved by the Directors on 27 August 2014.

2. SEGMENTAL ANALYSIS

For management purposes, the Group is organised into business units based on its products and services and has three reportable segments, as follows:

- the Energia Group operates as a vertically integrated energy business consisting of competitive electricity and gas supply to domestic and business customers in the RoI and to business customers in Northern Ireland through Energia, its retail supply business, backed by electricity generation from its two Huntstown CCGT plants, and long term PPAs with third-party renewable generators (including wind generation assets in which the Group has an equity interest);
- Power NI is the regulated electricity supplier in Northern Ireland; and
- PPB is a regulated business which administers the contracted generation capacity from the Ballylumford power station in Northern Ireland under legacy generating unit agreements which were originally established in 1992 when the Northern Ireland electricity industry was restructured.

2. SEGMENTAL ANALYSIS (continued)

The Group Board monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. The measure of profit used by the Group Board is pro-forma EBITDA which is before exceptional items and certain remeasurements (arising from certain commodity, interest rate and currency contracts which are not designated in hedge accounting relationships) and based on regulated entitlement (whereby the adjustment for (under)/over-recovery outlined in the segmental analysis below represents the amount by which the regulated businesses (under)/over-recovered against their regulated entitlement). The Group also monitors revenue on a regulated entitlement basis.

(a) Revenue by segment

	First Quarter 2015 £m	First Quarter 2014 £m	Year ended 31 March 2014 £m
Energia Group	202.8	239.5	1,014.2
Power NI	96.4	100.6	458.3
PPB	27.1	26.2	131.3
Inter-group eliminations	(0.9)	(0.1)	(1.4)
Group	325.4	366.2	1,602.4
Adjustment for over/(under)-recovery	10.9	(3.5)	(2.4)
Total	336.3	362.7	1,600.0

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

2. SEGMENTAL ANALYSIS (continued)

(b) Operating Profit

	First Quarter 2015 £m	First Quarter 2014 £m	Year ended 31 March 2014 £m
Segment Pro-Forma EBITDA			
Energia Group	**15.5**	15.7	70.8
Power NI	**7.0**	5.5	25.0
PPB	**1.3**	1.2	5.5
Other	**(0.6)**	(0.8)	(2.3)
Group Pro-Forma EBITDA	**23.2**	21.6	99.0
Adjustment for over/(under)-recovery	**10.9**	(3.5)	(2.4)
Group EBITDA	**34.1**	18.1	96.6
Depreciation/amortisation			
Energia Group	**(4.2)**	(4.6)	(18.4)
Power NI	**(0.7)**	(0.7)	(2.6)
Other	**-**	-	(0.1)
Group depreciation and amortisation	**(4.9)**	(5.3)	(21.1)
Operating profit pre exceptional items and certain remeasurements			
Energia Group	**11.3**	11.1	52.4
Power NI	**6.3**	4.8	22.4
PPB	**1.3**	1.2	5.5
Other	**(0.6)**	(0.8)	(2.4)
Group Pro-Forma operating profit	**18.3**	16.3	77.9
Adjustment for over/(under)-recovery	**10.9**	(3.5)	(2.4)
Operating profit pre exceptional items and certain remeasurements	**29.2**	12.8	75.5

2. SEGMENTAL ANALYSIS (continued)

(b) Operating profit (continued)

	First Quarter 2015 £m	First Quarter 2014 £m	Year ended 31 March 2014 £m
Exceptional items and certain remeasurements			
Energia Group	**(2.8)**	(0.2)	(33.8)
Other	**-**	-	(3.3)
Group operating profit post-exceptional items and certain remeasurements	**26.4**	12.6	38.4
Finance cost	**(30.9)**	(25.2)	(109.4)
Finance income	**7.2**	6.4	25.6
	(23.7)	(18.8)	(83.8)
Profit on disposal of continuing operations	**-**	-	1.6
Share of loss in associates	**(0.5)**	(0.2)	(0.4)
Profit/(loss) on ordinary activities before tax	**2.2**	(6.4)	(44.2)

3. OPERATING COSTS

	First Quarter 2015 £m	First Quarter 2014 £m	Year ended 31 March 2014 £m
Operating costs are analysed as follows:			
Energy costs	284.2	326.8	1,435.5
Employee costs	5.5	5.1	21.3
Depreciation, amortisation and impairment	4.9	5.3	21.1
Other operating charges	12.5	12.7	46.6
Total pre exceptional items and certain remeasurements	307.1	349.9	1,524.5
Exceptional costs and certain remeasurements:			
Energy costs	2.8	0.2	3.8
Depreciation, amortisation and impairment	-	-	30.0
Other operating charges	-	-	3.3
Total exceptional costs and certain remeasurements	2.8	0.2	37.1
Total operating costs	309.9	350.1	1,561.6

3.1 Depreciation, amortisation and impairment

	First Quarter 2015 £m	First Quarter 2014 £m	Year ended 31 March 2014 £m
Depreciation	4.1	4.6	18.0
Associated release of contributions in respect of property plant & equipment	(0.1)	(0.1)	(0.3)
Amortisation of intangible assets	0.9	0.8	3.4
Pre exceptional items	4.9	5.3	21.1
Impairment of property plant & equipment	-	-	30.0
	4.9	5.3	51.1

4. EXCEPTIONAL ITEMS AND CERTAIN REMEASUREMENTS

	First Quarter 2015 £m	First Quarter 2014 £m	Year ended 31 March 2014 £m
Exceptional items in arriving at profit from continuing operations:			
Bid costs[1]	-	-	(3.3)
Impairment of property, plant and equipment [2]	-	-	(30.0)
Profit on disposal of continuing operations [3]	-	-	1.6
	-	-	(31.7)
Certain remeasurements in arriving at profit			
Net loss on derivatives at fair value through operating costs	(2.8)	(0.2)	(3.8)
Net loss on derivatives at fair value through finance costs	(2.3)	-	(13.2)
	(5.1)	(0.2)	(17.0)
Exceptional items and certain remeasurements before taxation	(5.1)	(0.2)	(48.7)
Taxation on exceptional items and certain remeasurements	0.3	-	4.2
Exceptional items and certain remeasurements after taxation	(4.8)	(0.2)	(44.5)

[1] Exceptional bid costs £3.3m in year ended 31 March 2014 relate to costs incurred on the Group's bid for Bord Gais Energy.

[2] The Group recognised an impairment of £30.0m in year ended 31 March 2014 in relation to the Huntstown plant associated with the reduced utilisation of the power plant as a result of the ongoing impact of the coal gas switch.

[3] Profit on disposal of continuing operations of £1.6m in year ended 31 March 2014, relates to a net benefit arising from residual transaction costs attributable to the sale of NIE and Powerteam to ESB on 21 December 2010 which are no longer expected to occur.

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

	First Quarter 2015 £m	First Quarter 2014 £m	Year ended 31 March 2014 £m
Impairment of property, plant and equipment	-	-	3.7
Fair valued derivatives through profit & loss	0.3	-	0.5
	0.3	-	4.2

5. FINANCE COSTS/INCOME

Finance Costs

	Results before exceptional items and certain remeasure-ments First Quarter 2015 £m	**Exceptional items and certain remeasure-ments First Quarter 2015 £m**	**Total First Quarter 2015 £m**	Results before exceptional items and certain remeasure-ments First Quarter 2014 £m	Exceptional items and certain remeasure-ments First Quarter 2014 £m	Total First Quarter 2014 £m	Results before exceptional items and certain remeasure-ments Year ended 31 March 2014 £m	Exceptional items and certain remeasure-ments Year ended 31 March 2014 £m	Total 2014 £m
Interest on external bank loans and borrowings	**(1.6)**	**-**	**(1.6)**	(1.4)	-	(1.4)	(6.0)	-	(6.0)
Interest on senior secured notes	**(10.8)**	**-**	**(10.8)**	(12.9)	-	(12.9)	(45.7)	-	(45.7)
Interest payable to parent undertaking	**(7.5)**	**-**	**(7.5)**	(6.5)	-	(6.5)	(27.7)	-	(27.7)
Total interest expense	**(19.9)**	**-**	**(19.9)**	(20.8)	-	(20.8)	(79.4)	-	(79.4)
Amortisation of financing charges	**(1.7)**	**-**	**(1.7)**	(2.0)	-	(2.0)	(7.6)	-	(7.6)
Unwinding of discount on decommissioning provision	**-**	**-**	**-**	-	-	-	(0.2)	-	(0.2)
Unwinding of discount on shareholder loan	**(5.6)**	**-**	**(5.6)**	(5.0)	-	(5.0)	(19.7)	-	(19.7)
Other finance charges	**-**	**-**	**-**	(0.1)	-	(0.1)	(0.6)	-	(0.6)
Total other finance charges	**(7.3)**	**-**	**(7.3)**	(7.1)	-	(7.1)	(28.1)	-	(28.1)
Net exchange (loss)/gain on net foreign currency borrowings	**(12.5)**	**-**	**(12.5)**	6.4	-	6.4	1.7	-	1.7
Net exchange loss/(gain) accounted for as a net investment hedge	**10.8**	**-**	**10.8**	(3.7)	-	(3.7)	8.7	-	8.7
Net loss on financial instruments at fair value through profit or loss	**-**	**(2.3)**	**(2.3)**	-	-	-	-	(13.2)	(13.2)
Less interest capitalised in qualifying asset	**0.3**	**-**	**0.3**	-	-	-	0.9	-	0.9
Total finance costs	**(28.6)**	**(2.3)**	**(30.9)**	(25.2)	-	(25.2)	(96.2)	(13.2)	(109.4)

The average capitalisation rate applied in determining the amount of borrowing costs to be capitalised in First Quarter 2015 was 5.4% (First Quarter 2014 – nil%).

5. FINANCE COSTS/INCOME (continued)

Finance income

	First Quarter 2015 £m	First Quarter 2014 £m	Year ended 31 March 2014 £m
Interest income on a loan to an associate	0.2	0.2	1.0
Unwinding of discount on junior asset	6.9	6.2	24.6
Interest income on bank deposits	0.1	-	-
Total finance income	7.2	6.4	25.6

6. INCOME TAX

The major components of the tax credit for the periods ended 30 June 2014, 30 June 2013 and 31 March 2014 are:

	Results before exceptional items and certain remeasure-ments First Quarter 2015 £m	Exceptional items and certain remeasure-ments First Quarter 2015 £m	Total First Quarter 2015 £m	Results before exceptional items and certain remeasure-ments First Quarter 2014 £m	Exceptional items and certain remeasure-ments First Quarter 2014 £m	Total First Quarter 2014 £m	Results before exceptional items and certain remeasure-ments Year ended 31 March 2014 £m	Exceptional items and certain remeasure-ments Year ended 31 March 2014 £m	Total Year ended 31 March 2014 £m
Current tax:									
Current tax (charge)/credit	**(1.5)**	**0.3**	**(1.2)**	2.0	-	2.0	(0.7)	0.5	(0.2)
Adjustments in respect of prior years	**3.1**	**-**	**3.1**	-	-	-	0.3	-	0.3
Total current tax credit /(charge)	**1.6**	**0.3**	**1.9**	2.0	-	2.0	(0.4)	0.5	0.1
Deferred tax:									
Adjustments in respect of current year	**0.7**	**-**	**0.7**	(0.1)	-	(0.1)	3.9	3.7	7.6
Adjustments in respect of prior years	**0.4**	**-**	**0.4**	-	-	-	1.0	-	1.0
Effect of decreased rate on opening liability	**-**	**-**	**-**	-	-	-	(1.3)	-	(1.3)
Total deferred tax	**1.1**	**-**	**1.1**	(0.1)	-	(0.1)	3.6	3.7	7.3
Total taxation credit	**2.7**	**0.3**	**3.0**	1.9	-	1.9	3.2	4.2	7.4

7. CAPITAL EXPENDITURE

	Capital additions to property, plant and equipment		
	First Quarter 2015 £m	First Quarter 2014 £m	Year ended 31 March 2014 £m
Energia Group	6.9	2.6	22.0
Power NI	-	-	0.1
Other	-	-	0.2
Total	6.9	2.6	22.3

	Capital additions to intangible assets		
	First Quarter 2015 £m	First Quarter 2014 £m	Year ended 31 March 2014 £m
Energia Group	3.9	3.2	18.6
Power NI	3.4	0.8	6.7
Other	0.2	0.2	0.5
Total	7.5	4.2	25.8

8. TRADE AND OTHER RECEIVABLES

	30 June 2014 £m	30 June 2013 £m	31 March 2014 £m
Trade receivables (including unbilled consumption)	121.7	134.9	150.6
Prepayments and accrued income	19.6	18.7	24.0
Other receivables	5.9	3.7	6.1
Amounts owed by fellow subsidiary	0.1	0.1	-
	147.3	157.4	180.7

9. CASH AND CASH EQUIVALENTS

	30 June 2014 £m	30 June 2013 £m	31 March 2014 £m
Cash at bank and on hand	**22.4**	9.3	6.1
Short−term bank deposits	**27.7**	28.3	20.2
	50.1	37.6	26.3

10. TRADE AND OTHER PAYABLES

	30 June 2014 £m	30 June 2013 £m	31 March 2014 £m
Trade creditors	**36.0**	49.4	54.5
Other creditors	**28.0**	26.4	26.4
Amounts owed to associate	**1.6**	1.7	2.4
Payments received on account	**28.2**	27.4	29.4
Tax and social security	**2.0**	2.3	2.3
Accruals	**106.7**	116.7	121.6
	202.5	223.9	236.6

11. FINANCIAL LIABILITIES

	30 June 2014 £m	30 June 2013 £m	31 March 2014 £m
Current financial liabilities:			
Senior secured notes interest payable	**10.3**	10.8	-
Other interest payable	**1.1**	1.2	1.2
Project financed bank facilities (RoI)	**0.5**	-	0.4
Contingent consideration	**0.5**	1.7	2.2
Senior revolving credit facility	**-**	18.6	-
Total current financial liabilities	**12.4**	32.3	3.8
Non-current financial liabilities:			
Senior secured notes	**337.5**	362.4	346.5
Subordinated shareholder loan	**396.1**	347.0	382.9
Project financed bank facilities (NI)	**11.3**	-	5.8
Project financed bank facilities (RoI)	**10.1**	-	10.4
Contingent consideration	**1.2**	-	-
Total non−current financial liabilities	**756.2**	709.4	745.6
Total current and non-current financial liabilities	**768.6**	741.7	749.4

Senior secured notes and Senior revolving credit facility
The Senior secured notes are denominated in Euro €283.9m (31 March 2014 and 30 June 2013 - €283.9m) and USD $226.8m (31 March 2014 and 30 June 2013 - $226.8m) and interest, which is payable semi−annually, is charged at a fixed rate coupon of 11.125%. The Senior secured notes are repayable in one instalment on 1 April 2017.

The Senior secured notes include an option for the period to 1 April 2015 to redeem annually up to 10% of the original principal at a redemption price of 103%.

Interest is charged under the Senior revolving credit facility at floating interest rates based on LIBOR and EURIBOR.

Subordinated shareholder loan
The loan payable to the parent undertaking is subordinated to the repayment of the Senior secured notes, the Senior revolving credit facility, and the Junior bank facility A of the Group's immediate parent undertaking Viridian Group Holdings Limited and becomes repayable on demand once all facilities to which it is subordinated are repaid. Of this loan £166.1m (31 March 2014 - £160.1m; 30 June 2013 - £145.6m) is non-interest bearing and £230.0m (31 March 2014 - £222.6m; 30 June 2013 - £201.4m) accrues interest at 13.5% on a payment in kind basis.

Upon transition to IFRS the Group's shareholder loan has been restated to its fair value in accordance with the accounting policy relating to interest free loans payable outlined in the consolidated financial statements at the year ended 31 March 2014 (note 3 (i) and as detailed in note 15).

Project financed bank facilities
The project financed bank loan facilities are repayable in semi-annual instalments to 2031 and are secured on a non-recourse basis over the assets and shares of the specific project finance companies. Interest on the project finance bank loan facilities has been predominantly fixed through interest rate swaps resulting in an effective rate of interest of 4.05% on project financed bank facilities NI and 6.47% in the project financed bank facilities RoI.

12. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Derivative financial assets

Derivatives at fair value through other comprehensive income	**30 June 2014 £m**	30 June 2013 £m	31 March 2014 £m
Cash flow hedges:			
Foreign exchange forward contracts	**1.8**	0.7	1.9
Commodity swap contracts	**-**	3.1	6.5
Interest rate swap contracts	**-**	-	0.3
Total derivatives at fair value through other comprehensive income	**1.8**	3.8	8.7
Derivatives at fair value through profit and loss			
Derivatives not designated as hedges:			
Foreign exchange forward contracts	**2.2**	-	-
Cross currency swap contracts	**-**	1.5	-
Commodity swap contracts	**4.7**	-	-
Interest rate swap contracts	**-**	0.1	-
Total derivatives at fair value through profit and loss	**6.9**	1.6	-
Total derivative financial assets	**8.7**	5.4	8.7
Total non-current	**0.5**	1.1	0.5
Total current	**8.2**	4.3	8.2

12. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Derivative financial liabilities

Derivatives at fair value through other comprehensive income	**30 June 2014 £m**	30 June 2013 £m	31 March 2014 £m
Cash flow hedges:			
Foreign exchange forward contracts	**(2.2)**	(4.9)	(1.9)
Commodity swap contracts	**(4.2)**	(1.6)	(10.6)
Interest rate swap contracts	**(1.9)**	-	(1.5)
Total derivatives at fair value through other comprehensive income	**(8.3)**	(6.5)	(14.0)
Derivatives at fair value through profit and loss			
Derivatives not designated as hedges:			
Foreign exchange forward contracts	**(0.8)**	-	-
Commodity swap contracts	**(14.4)**	(1.8)	(6.0)
Cross currency swap contracts	**(14.7)**	(0.6)	(12.4)
Total derivatives at fair value through profit and loss	**(29.9)**	(2.4)	(18.4)
Total derivative financial liabilities	**(38.2)**	(8.9)	(32.4)
Total non-current	**(15.5)**	(0.6)	(12.9)
Total current	**(22.7)**	(8.3)	(19.5)

FAIR VALUES

A summary of the financial assets and liabilities of the Group where their fair value differ from their carrying values is as follows:

	30 June 2014		30 June 2013		31 March 2014	
	Carrying value £m	Fair value £m	Carrying value £m	Fair value £m	Carrying value £m	Fair value £m
Senior secured notes	**(337.5)**	**(397.7)**	(362.4)	(412.0)	(346.5)	(412.8)

The carrying value of cash, trade receivables, trade payables and other current assets and liabilities is equivalent to fair value due to the short term maturities of these items. Contingent consideration is measured at its fair value.

The fair value of the Group's project financed bank facilities (RoI), project financed bank facilities (NI) and Senior revolving credit facility are determined by using discounted cash flows based on the Group's borrowing rate. The fair value of the Group's Senior secured notes is based on the quoted market price. The fair value of interest rate swaps, foreign exchange forward contracts, foreign exchange cross currency swaps and commodity contracts has been valued by calculating the present value of future cash flows, estimated using forward rates from third party market price quotations.

The fair value of the Group's project financed bank facilities (RoI) and project financed bank facilities (NI) are a close approximation to their carrying value.

Included in financial liabilities at 30 June 2014 was a non-interest bearing loan from parent undertaking at a carrying value of £166.1m (31 March 2014 - £160.3m; 30 June 2014 - £145.6m)) which is estimated to approximate to its fair value determined by using discounted cash flows based on the Group's borrowing rate.

Included in financial assets at 30 June 2014 was a non-interest bearing asset due from parent undertaking at a carrying value of £146.9m (31 March 2014 - £144.8m; 30 June 2014 - £132.0m) which is estimated to approximate to its fair value determined by using discounted cash flows based on the Group's borrowing rate.

The Group uses the hierarchy as set out in IFRS 7 Financial Instruments: Disclosures for determining the fair value of derivatives by valuation technique:

Level 1: quoted unadjusted prices in active markets for identical assets and liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are either observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The fair value of Senior secured notes, the investment in parent undertaking's junior bank facility, the subordinated shareholder loan, interest rate swaps, foreign exchange forward contracts, foreign exchange cross currency swaps and commodity contracts at 30 June 2014, 30 June 2013 and 31 March 2014 are considered by the Group to fall within the level 2 fair value hierarchy. There have been no transfers between hierarchy.

The fair value of contingent consideration is considered by the Directors to fall within the level 3 fair value hierarchy and is measured using the present value of the probability-weighted average of pay outs associated with each possible outcome arising from the timing and cost milestones associated with grid connection and commissioning timelines set out in the relevant purchase agreement. Management have estimated that using reasonably possible alternative assumptions the amount payable in respect of the remaining contingent consideration obligation would not be materially different to the maximum amount of £1.7m recognised at acquisition. Given the magnitude of the amounts concerned and the expected timing of payments the impact of discounting is not material.

13. NOTES TO GROUP CASH FLOW STATEMENT

	First Quarter 2015 £m	First Quarter 2014 £m	Year ended 31 March 2014 £m
Operating activities			
Profit/(loss) before tax from continuing operations	**2.2**	(6.4)	(44.2)
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and impairment of property, plant and equipment	**4.1**	4.6	48.0
Amortisation and impairment of intangible assets	**0.9**	0.8	3.4
Amortisation of contributions in respect of property, plant and equipment	**(0.1)**	(0.1)	(0.3)
Gain on disposal of continuing operations	**-**	-	(1.6)
Derivatives at fair value through income statement	**5.1**	0.2	17.0
Net finance costs	**21.4**	18.8	70.6
Defined benefit charge less contributions paid	**-**	-	(1.5)
Share of loss in associates	**0.5**	0.2	0.4
Cash generated from operations before working capital movements	**34.1**	18.1	91.8

Net cash flow from operating activities in the year ended 31 March 2014 includes exceptional cash outflows of £3.3m in respect of the payment of bid costs (note 4).

14. ANALYSIS OF NET DEBT

	Cash and cash equivalents £m	Short term managed funds £m	Debt due within one year £m	Debt due after more than one year £m	Junior bank facility asset £m	**Total £m**
At 1 April 2013	48.9	1.4	(1.1)	(732.7)	123.8	(559.7)
Cash flow	(11.7)	-	(29.5)	39.9	-	1.3
Non–cash movement	-	-	-	(1.8)	-	(1.8)
Capitalisation of interest on subordinated shareholder loan	-	-	-	(6.6)	-	(6.6)
Translation difference	0.4	-	-	(3.2)	2.0	(0.8)
Unwinding of discount on shareholder loan	-	-	-	(5.0)	-	(6.0)
Unwinding of discount on Junior bank facility asset	-	-	-	-	6.2	6.2
At 30 June 2013	37.6	1.4	(30.6)	(709.4)	132.0	(569.0)
At 1 April 2013	48.9	1.4	(1.1)	(732.7)	123.8	(559.7)
Cash flow	(21.8)	-	(0.4)	21.4	-	(0.8)
Non–cash movement	-	-	-	(5.8)	-	(5.8)
Capitalisation of interest on subordinated shareholder loan	-	-	-	(27.3)	-	(27.3)
Translation difference	(0.8)	-	(0.1)	18.5	(3.6)	14.0
Unwinding of discount on shareholder loan	-	-	-	(19.7)	-	(19.7)
Unwinding of discount on Junior bank facility asset	-	-	-	-	24.6	24.6
At 31 March 2014	26.3	1.4	(1.6)	(745.6)	144.8	(574.7)
Cash flow	24.3	-	-	(5.9)	-	18.4
Non–cash movement	-	-	(10.3)	(1.2)	-	(11.5)
Capitalisation of interest on subordinated shareholder loan	-	-	-	(7.7)	-	(7.7)
Translation difference	(0.5)	-	-	11.0	(4.8)	5.7
Unwinding of discount on shareholder loan	-	-	-	(5.6)	-	(5.6)
Unwinding of discount on Junior bank facility asset	-	-	-	-	6.9	6.9
At 30 June 2014	**50.1**	**1.4**	**(11.9)**	**(755.0)**	**146.9**	**(568.5)**

15. CAPITAL COMMITMENTS

At 30 June 2014 the Group had contracted future capital expenditure in respect of tangible fixed assets of £21.4m (30 June 2013 - £10.4m).

16. DISTRIBUTIONS MADE AND PROPOSED

No dividends have been paid or proposed for the First Quarter 2015 (2014: £nil).

17. RELATED PARTY TRANSACTIONS

The nature and type of related party transactions for the period ended 30 June 2014 do not differ significantly from those in the consolidated financial statements for the year ended 31 March 2014.

18. SEASONALITY OF OPERATIONS

Certain activities of the Group are affected by weather and temperature conditions and seasonal market price fluctuations. As a result of this, the amounts reported for the interim period may not be indicative of the amounts that will be reported for the full year due to seasonal fluctuations in customer demand for gas and electricity, the impact of weather on demand, renewable generation output and commodity prices, market changes in commodity prices and changes in retail tariffs. In retail supply, notable seasonal effects include the impact on customer demand of cooler temperatures in the first half of the financial year. In wholesale generation, there is the impact of lower customer demand on commodity prices, the weather impact on renewable generation and other seasonal effects. The impact of temperature on customer demand for gas is more volatile than the equivalent demand for electricity.

19. FIRST TIME ADOPTION OF IFRS

The consolidated financial statements for the year ended 31 March 2014, were the first the Group has prepared in accordance with IFRS. Note 33 to the consolidated financial statements for the year ended 31 March 2014 sets out the adjustments made by the Group in restating its financial statements previously published under UK GAAP.

This note presents the equivalent income statement and balance sheet for the 3 months ended 30 June 2013 under UK GAAP with reconciliations between UK GAAP and IFRS.

19. FIRST TIME ADOPTION OF IFRS (continued)

Analysis of IFRS adjustments to the Group Balance Sheet at 30 June 2013

	UK GAAP* £m	IFRS reclassifications £m	IFRS adjustments £m	IFRS as at 30 June 2013 £m
ASSETS				
Non-current assets:				
Property, plant and equipment	305.4	-	-	305.4
Intangible assets	466.3	-	27.7	494.0
Investment in an associate	8.9	-	(1.2)	7.7
Derivative financial instruments	-	-	1.1	1.1
Other non-current financial assets	346.5	-	(213.8)	132.7
Deferred tax assets	-	12.9	0.4	13.3
	1,127.1	12.9	(185.8)	954.2
Current assets:				
Inventories	5.1	-	-	5.1
Trade and other receivables	161.1	(3.7)	-	157.4
Derivative financial instruments	-	-	4.3	4.3
Other current financial assets	29.6	(24.5)	-	5.1
Cash and cash equivalents	9.4	28.2	-	37.6
	205.2	-	4.3	209.5
TOTAL ASSETS	1,332.3	12.9	(181.5)	1,163.7
LIABILITIES				
Current liabilities:				
Trade and other payables	(225.1)	2.0	(0.8)	(223.9)
Income tax payable	-	(2.0)	-	(2.0)
Financial liabilities	(32.3)	-	-	(32.3)
Derivative financial instruments	-	-	(8.3)	(8.3)
Deferred income	-	(0.2)	-	(0.2)
	(257.4)	(0.2)	(9.1)	(266.7)
Non-current liabilities:				
Financial liabilities	(910.0)	-	200.6	(709.4)
Derivative financial instruments	-	-	(0.6)	(0.6)
Deferred income	(1.2)	0.2	-	(1.0)
Net employee defined benefit liabilities	-	0.1	(0.8)	(0.7)
Deferred tax liabilities	(6.3)	(13.0)	(0.3)	(19.6)
Provisions	(11.7)	-	-	(11.7)
	(929.2)	(12.7)	198.9	(743.0)
TOTAL LIABILITIES	(1,186.6)	(12.9)	189.8	(1,009.7)
NET ASSETS	145.7	-	8.3	154.0
Equity:				
Share capital	-	-	-	-
Share premium	510.0	-	-	510.0
Retained earnings	(489.8)	-	20.3	(469.5)
Capital contribution reserve	125.5	-	(10.3)	115.2
Hedge reserve	-	-	(3.5)	(3.5)
Foreign currency translation reserve	-	-	1.8	1.8
TOTAL EQUITY	145.7	-	8.3	154.0

* This column represents previously published results under UK GAAP in IFRS format

19. FIRST TIME ADOPTION OF IFRS (continued)

Group reconciliation of Income Statement for First Quarter 2014

	UK GAAP £m	IFRS adjustments £m	IFRS First Quarter 2014 £m
Continuing operations:			
Revenue	362.7	-	362.7
Operating costs	(349.1)	(1.0)	(350.1)
Operating profit/(loss) before goodwill amortisation	13.6	(1.0)	12.6
Goodwill amortisation	(8.1)	8.1	-
Operating profit after goodwill amortisation	5.5	7.1	12.6
Finance costs	(19.6)	(5.6)	(25.2)
Finance income	0.3	6.1	6.4
Net finance cost	(19.3)	0.5	(18.8)
Share of loss of associates	(0.2)	-	(0.2)
Amortisation of goodwill in associate	(0.1)	0.1	-
(Loss)/profit before tax	(14.1)	7.7	(6.4)
Taxation	1.9	-	1.9
(Loss)/profit for the period	(12.2)	7.7	(4.5)

Group reconciliation of other comprehensive income for First Quarter 2014

	UK GAAP £m	IFRS adjustments £m	IFRS First Quarter 2014 £m
(Loss)/ profit for the period	(12.2)	7.7	(4.5)
Other comprehensive income/(loss)			
Items that will be reclassified subsequently to the profit or loss:			
Exchange differences on translation of foreign operations	(4.1)	-	(4.1)
Net gain on net investment hedge	3.3	0.4	3.7
Net loss on cash flow hedges	-	(4.0)	(4.0)
Transferred from equity to income statement	-	1.5	1.5
Share of associates net gain on cash flow hedges	-	0.5	0.5
Income tax effect	-	0.5	0.5
	-	(1.5)	(1.5)
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	(0.8)	(1.1)	(1.9)
Items that will not be reclassified to the profit or loss:			
Remeasurement gain on defined benefit scheme	0.5	-	0.5
Income tax effect	(0.1)	-	(0.1)
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	0.4	-	0.4
Other comprehensive loss for the period, net of taxation	(0.4)	(1.1)	(1.5)
Total comprehensive (loss)/income for the period	(12.6)	6.6	(6.0)