

# **ESPUG Finance Limited**

Interim Report

Period Ended

30 June 2020

Registered number 10933801

# ESPUG Finance Limited

Interim Report  
For the period ended 30 June 2020

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### Directors

A Dellis  
S Lees  
P Miles  
A Miller  
K O'Connor  
S Schwengber  
B Sottomayor  
V Spiers

### Secretary and registered office

Beach Secretaries Limited, Bluebird House, Mole Business Park, Leatherhead, KT22 7BA

### Company number

10933801

### Auditors

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex RH6 0PA

# ESPUG Finance Limited

## Statement of comprehensive income For the period ended 30 June 2020

	6 month ended 30 June 2020 Unaudited £'000	6 month ended 30 June 2019 Unaudited £'000	Year ended 31 December 2019 Audited £'000
<b>Turnover</b>	-	-	-
Cost of sales	-	-	-
<b>Gross profit</b>	-	-	-
Administrative expenses	(138)	(2)	(53)
<b>Group operating (loss)</b>	(138)	(2)	(53)
Other interest receivable and similar income	6,671	5,877	12,046
Interest payable and similar charges	(4,731)	(4,356)	(8,818)
<b>Profit on ordinary activities before taxation</b>	1,802	1,519	3,175
Taxation on profit on ordinary activities	-	-	-
<b>Profit for the financial period and total comprehensive income for the period</b>	1,802	1,519	3,175

# ESPUG Finance Limited

## Balance sheet As at 30 June 2020

	30 June 2020 Unaudited £'000	30 June 2020 Unaudited £'000	30 June 2019 Unaudited £'000	30 June 2019 Unaudited £'000	31 December 2019 Audited £'000	31 December 2019 Audited £'000
<b>Fixed assets</b>						
Tangible assets		-		-		-
Investments		620,094		620,061		620,080
		<u>620,094</u>		<u>620,061</u>		<u>620,080</u>
<b>Current assets</b>						
Debtors	185,704		151,567		157,205	
Cash at bank and in hand	7,909		9,085		6,804	
	<u>193,613</u>		<u>160,652</u>		<u>164,009</u>	
<b>Creditors: amounts falling due within one year</b>	<u>(28,015)</u>		<u>(33,685)</u>		<u>(27,803)</u>	
<b>Net current assets</b>		<u>165,598</u>		<u>126,967</u>		<u>136,206</u>
<b>Total assets less current liabilities</b>		<u>785,692</u>		<u>747,028</u>		<u>756,286</u>
<b>Creditors: amounts falling due after more than one year</b>		<u>(271,260)</u>		<u>(230,054)</u>		<u>(240,656)</u>
<b>Net assets</b>		<u>514,432</u>		<u>516,974</u>		<u>515,630</u>
<b>Capital and reserves</b>						
Called up share capital		141,705		141,705		141,705
Share premium account		369,999		369,999		369,999
Profit and loss account		2,728		5,270		3,926
		<u>514,432</u>		<u>516,974</u>		<u>515,630</u>

The interim report was approved by the Board of Directors and authorised for issue on 25 September 2020 and were signed on its behalf by:



P Miles  
Director

# ESPUG Finance Limited

Statement of changes in equity  
For the period ended 30 June 2020

	Share capital	Share Premium	Profit and loss account	Total Equity	Share capital	Share Premium	Profit and loss account	Total Equity	Share capital	Share Premium	Profit and loss account	Total Equity
	30 June 2020	30 June 2020	30 June 2020	30 June 2020	31 December 2019	31 December 2019	31 December 2019	30 June 2019	31 December 2019	31 December 2019	31 December 2019	31 December 2019
	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Audited	Audited
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1 January	141,705	369,999	3,926	515,630	141,705	369,999	3,751	515,455	141,705	369,999	3,751	515,455
Comprehensive income for the period	-	-	1,802	1,802	-	-	1,519	1,519	-	-	3,175	3,175
Profit for the period	-	-	1,802	1,802	-	-	1,519	1,519	-	-	3,175	3,175
Total comprehensive income for the period	-	-	1,802	1,802	-	-	1,519	1,519	-	-	3,175	3,175
Contributions by and distributions to owners	-	-	8,000	8,000	-	-	-	-	-	-	-	-
Dividends received	-	-	(11,000)	(11,000)	-	-	-	-	-	-	(3,000)	(3,000)
Dividends paid	-	-	(3,000)	(3,000)	-	-	-	-	-	-	(3,000)	(3,000)
Total contributions by and distributions to owners	-	-	(8,000)	(8,000)	-	-	-	-	-	-	(3,000)	(3,000)
30 June	141,705	369,999	2,728	514,432	141,705	369,999	5,270	516,974	141,705	369,999	3,926	515,630

# ESPUG Finance Limited

## Notes forming part of the interim report For the period ended 30 June 2020

### 1 Financial Information

The interim financial information for the 6 months ended 30 June 2020 does not constitute statutory accounts within the meaning of section 435 of the Companies Act 2006. It has been prepared using accounting policies and principles consistent with those applied in the preparation of the audited accounts of ESPUG Finance Ltd for the period ended 31 December 2019.

The interim financial information has been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

### 2 Comparatives

The comparatives in the interim financial information are the figures included in the audited financial statements for ESPUG Finance Limited for the period ended 31 December 2019.

### 3 Debtors

	30 June 2020 Unaudited £'000	30 June 2019 Unaudited £'000	31 December 2019 Audited £'000
Amounts owed by Group undertakings	<b>185,704</b>	151,567	157,205

All debtors are due within one year.

### 4 Creditors: amounts falling due within one year

	30 June 2020 Unaudited £'000	30 June 2019 Unaudited £'000	31 December 2019 Audited £'000
Amounts owed to Group undertakings	<b>26,000</b>	31,950	26,000
Loan interest due	<b>2,009</b>	1,728	1,796
Accruals and deferred income	<b>6</b>	7	7
	<b>28,015</b>	33,685	27,803

The amounts owed to group undertakings relate to intercompany balances which do not bear interest and are repayable on demand by the Company.

# ESPUG Finance Limited

Notes forming part of the consolidated interim report  
For the period ended 30 June 2020 (*continued*)

## 5 Creditors: amounts falling due after more than one year

	30 June 2020 Unaudited £'000	30 June 2019 Unaudited £'000	31 December 2019 Audited £'000
Loan notes	251,260	220,054	220,656
Capex loan	20,000	10,000	20,000
	<u>271,260</u>	<u>230,054</u>	<u>240,656</u>

The loan notes are secured by an All Assets charge over the assets of the Group, and are structured as follows :-

£54m at 2.69% Senior Secured Tranche A note due 6th October 2027  
£85m at 3.05% Senior Secured Tranche B note due 6th October 2032  
£30m at 2.116% Senior Secured note due 13 February 2035  
£85m at 3.35% Senior Secured Tranche C note due 6th October 2037

The Capex loan is repayable in full in October 2022 and incurs interest at a rate of LIBOR plus 1.5%. The bank loans are secured by an All Assets charge over the assets of the Group

## 6 Related party disclosures

The Company's immediate holding company is ESP Utilities Group Limited, a Company registered in England. The Company's ultimate holding company is Zoom Holding Limited, a Company registered in England and Wales.

The Company is ultimately controlled by 3i MIA LP, an English limited partnership, which is managed by 3i Investments plc. 3i Investments plc is wholly owned by 3i Group plc. The general partner of 3i MIA LP is 3i Managed Infrastructure GP (2017) LLP.

The largest group in which the results of the Company are consolidated is that headed by Zoom Holding Limited. The smallest group in which the results of the Company are consolidated is that headed by ESP Utilities Group Limited.

## 7 Purchase of Assets

On 21st December 2019 E.S. Pipelines Limited (ESP) entered into an agreement with Fulcrum Utility Services Limited to purchase its' domestic customer gas connection assets, including order book and associated meters for circa £46m. The first tranche of the deal completed on 31 March 2020, with circa £17m paid on completion. The balance relating to part-complete networks and the internal and external order books will be payable over the next 5 years, as assets are built out and transferred to ESP.

The purchase has been funded by the issue of £30m of 2.116% PP loan notes which mature on 13 February 2035.

# ESPUG Finance Limited

Notes forming part of the consolidated interim report  
For the period ended 30 June 2020 (*continued*)

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## 8 Covid-19 outbreak

As a transporter of gas and electricity within the UK the Group's ongoing business continued without interruption during the lockdown within the UK. The Group has continued to provide uninterrupted energy to homes and businesses, adapting working practises while maintaining our commitment to providing the very best service.

As the UK went into lock-down there was a sharp slow-down in construction and therefore asset adoption activity initially. However, since mid Q2 there has been a gradual monthly improvement in activity and the Group are now seeing new connections increasing.

Due to the mature nature of our regulated income streams, our levels of profitability and cash flow generation remain in line with original, pre Covid-19 budget.