

Northern Gas Networks Holdings Limited
Consolidated profit and loss account
For the six months ended 30 June 2008

	2008 £'000	2007 £'000
Turnover	170,458	144,176
Cost of sales	(8,406)	(6,547)
Gross profit	162,052	137,629
Other operating expenses	(123,141)	(110,823)
Operating profit	38,911	26,806
Finance charges (net)	(26,162)	(23,859)
Profit on ordinary activities before taxation	12,749	2,947
Tax on profit on ordinary activities	(7,169)	(4,282)
Profit (loss) for the financial period	5,580	(1,335)

Northern Gas Networks Holdings Limited
Consolidated statement of total recognised gains and losses
For the six months ended 30 June 2008

	2008 £'000	2007 £'000
Profit (loss) for the financial period	5,580	(1,335)
Actuarial (loss) gain relating to the pension scheme	(25,596)	5,007
Deferred tax attributable to actuarial (loss) gain	7,167	(1,504)
Total recognised (losses) gains relating to the period	(12,849)	2,168

Northern Gas Networks Holdings Limited
 Consolidated balance sheet
 30 June 2008

	2008 £'000	2007 £'000
Fixed assets		
Intangible assets - Goodwill	208,607	214,258
Tangible assets	1,382,815	1,377,378
Investments	104	104
	<u>1,591,526</u>	<u>1,591,740</u>
Current assets		
Debtors – amounts due within one year	24,129	22,322
Cash at bank and in hand	12,411	25,892
	<u>36,540</u>	<u>48,214</u>
Creditors: Amounts falling due within one year	<u>(190,983)</u>	<u>(158,699)</u>
Net current liabilities	<u>(154,443)</u>	<u>(110,485)</u>
Total assets less current liabilities	1,437,083	1,481,255
Creditors: Amounts falling due after more than one year	(896,464)	(889,323)
Provisions for liabilities and charges excluding pension liability	<u>(120,412)</u>	<u>(122,677)</u>
Net assets excluding pension liability	<u>420,207</u>	<u>469,255</u>
Pension liability	<u>(26,660)</u>	<u>(14,717)</u>
Net assets including pension liability	<u>393,547</u>	<u>454,538</u>
Capital and reserves		
Called-up share capital	571,671	571,671
Profit and loss account	<u>(178,124)</u>	<u>(117,133)</u>
Equity shareholders' funds	<u>393,547</u>	<u>454,538</u>

Northern Gas Networks Holdings Limited
 Company balance sheet
 30 June 2008

	2008 £'000	2007 £'000
Fixed assets		
Investments	550,174	550,174
Current assets		
Debtors – amounts due within one year	1	1
Debtors – amounts due after more than one year	24,328	24,328
Cash at bank and in hand	1	3
	24,330	24,332
Creditors: Amounts falling due within one year	(2,728)	(2,730)
Net current assets	21,602	21,602
Total assets less current liabilities	571,776	571,776
Net assets	571,776	571,776
Capital and reserves		
Called-up share capital	571,671	571,671
Profit and loss account	105	105
Equity shareholders' funds	571,776	571,776

Approved by the Board of Directors on 8 September 2008 and signed on its behalf by:

B Scarsella

Director

Northern Gas Networks Holdings Limited
Consolidated cash flow statement
For the six months ended 30 June 2008

	2008 £'000	2007 £'000
Net cash inflow from operating activities	72,554	55,800
Returns on investments and servicing of finance	(27,654)	(24,214)
Taxation – UK corporation tax (paid) received	(977)	1,600
Capital expenditure and financial investment	(19,958)	(16,108)
Equity dividends paid	(15,750)	(15,000)
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Cash inflow before financing	8,215	2,078
Financing	3,000	19,000
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Increase in cash in the period	11,215	21,078