

**Company Registration No. 08374655**

**NWEN Finance plc**

**Half Year Condensed Financial Statements  
for the period ended 30 September 2016**

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## **INTERIM MANAGEMENT REPORT**

### **Cautionary statement**

This interim management report contains certain forward-looking statements with respect to the financial condition and business of NWEN Finance Plc (the 'Company'). Statements or forecasts relating to events in the future necessarily involve risk and uncertainty and are made by the Directors in good faith based on the information available at the date of signature of this report. The Company undertakes no obligation to update these forward-looking statements. Nothing in this unaudited interim management report should be construed as a profit forecast nor should past performance be relied upon as a guide to future performance.

### **Directors**

The names of the Directors who held office during the period and subsequently are given below:

[Steve](#) Johnson (resigned 27 May 2016)

[Peter](#) Emery (appointed 27 May 2016)

[Niall](#) Mills

[Mark](#) Walters

[Chris](#) Dowling

[David](#) Brocksom

### **Operations**

The principal activity of the Company is that of a financing company within the North West Electricity Networks (Jersey) Limited group (the 'Group') and the Company has debt in issue and listed on the London Stock Exchange.

There have been no significant changes to the activity of the Company in the current period.

### **Results**

The results for the period are included in the Condensed Income Statement on page 5.

There have been no significant events in the 6 months ended 30 September 2016 in respect of the Company.

### **Principal risks and uncertainties**

The principal risks and uncertainties have not changed from the last annual report. As the Company's obligations in respect of the listed debt are met via income receivable from North West Electricity Networks (Holdings) Ltd, the parent company, the Board considers the principal risks and uncertainties facing the Company to be those that affect North West Electricity Networks (Holdings) Ltd and the larger Group.

The principal trade and activities of the Group are carried out in Electricity North West Limited ('ENWL') and a comprehensive review of the strategy and operating model, the regulatory environment, the resources and principal risks and uncertainties facing that Company, and ultimately the Group, are discussed in the Business Review of the ENWL Annual Report and Consolidated Financial Statements for the year ended 31 March 2016.

The Annual Reports and Consolidated Financial Statements of ENWL, North West Electricity Networks (Holdings) Limited and the Company can be found at [www.enwl.co.uk](http://www.enwl.co.uk).

### **Going concern**

After making enquiries, and based on the assumptions, sensitivities and uncertainties outlined in the accounting policies on page 9, the Directors have concluded that the Company has adequate resources to continue in operational existence for the foreseeable future.

For this reason, they continue to adopt the going concern basis in preparing the Half Year Condensed Financial Statements.

**INTERIM MANAGEMENT REPORT** *(continued)*

**Responsibility statement**

We confirm that to the best of our knowledge:

- a. the condensed set of financial statements, which has been prepared in accordance with the applicable set of accounting standards, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer as required by DTR 4.2.4R;
- b. the interim management report includes a fair review of the information required by DTR 4.2.7R; and
- c. the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting'.

Registered address:

304 Bridgewater Place

Birchwood Park

Warrington

WA3 6XG

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

**D Brocksom**

Chief Financial Officer

| [27](#) December 2016

**CONDENSED INCOME STATEMENT**  
For the period ended 30 September 2016

	Note	Unaudited Period ended 30 September 2016 £000	Unaudited Period ended 30 September 2015 £000	Audited Year ended 31 March 2016 £000
<b>Operating profit</b>				-
Investment income	3	5,293	5,293	10,587
Finance expense	4	(5,288)	(5,288)	(10,577)
<b>Profit before taxation</b>		<u>5</u>	<u>5</u>	<u>10</u>
Taxation	5	(1)	(1)	(2)
<b>Profit for the period/year attributable to equity shareholders</b>		<u><u>4</u></u>	<u><u>4</u></u>	<u><u>8</u></u>

All the results shown in the Condensed Income Statement derive from continuing operations.

There were no other recognised gains and losses in the current or preceding periods; therefore no separate Condensed Statement of Comprehensive Income has been prepared.

**CONDENSED STATEMENT OF FINANCIAL POSITION**

As at 30 September 2016

	Note	Unaudited 30 September 2016 £000	Unaudited 30 September 2015 £000	Audited 31 March 2016 £000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Trade and other receivables	6	180,000	180,000	180,000
<b>Current assets</b>				
Trade and other receivables	6	2,975	2,965	2,970
Cash and cash equivalents		50	50	50
		<b>3,025</b>	<b>3,015</b>	<b>3,020</b>
<b>Total assets</b>		<b>183,025</b>	<b>183,015</b>	<b>183,020</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	7	(2,938)	(2,937)	(2,944)
Current tax liabilities		(7)	(6)	-
		<b>(2,945)</b>	<b>(2,943)</b>	<b>(2,944)</b>
<b>Net current assets</b>		<b>80</b>	<b>72</b>	<b>76</b>
<b>Non-current liabilities</b>				
Borrowings	7	(180,000)	(180,000)	(180,000)
<b>Total liabilities</b>		<b>(182,945)</b>	<b>(182,943)</b>	<b>(182,944)</b>
<b>Net assets</b>		<b>80</b>	<b>72</b>	<b>76</b>
<b>EQUITY</b>				
Called up share capital		50	50	50
Retained earnings		30	22	26
<b>Total equity</b>		<b>80</b>	<b>72</b>	<b>76</b>

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

**D Brocksom**

Director

27 December 2016

**CONDENSED STATEMENT OF CHANGES IN EQUITY**

For the period ended 30 September 2016

	<b>Called up share capital</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 April 2015	50	18	68
Profit for the period	-	4	4
	<hr/>	<hr/>	<hr/>
At 30 September 2015 (unaudited)	50	22	72
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 1 April 2015	50	18	68
Profit for the year	-	8	8
	<hr/>	<hr/>	<hr/>
At 31 March 2016 (audited)	50	26	76
Profit for the period	-	4	4
	<hr/>	<hr/>	<hr/>
<b>At 30 September 2016 (unaudited)</b>	<b>50</b>	<b>30</b>	<b>80</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**CONDENSED STATEMENT OF CASH FLOWS**

For the period ended 30 September 2016

	<b>Unaudited Period ended 30 September 2016 £000</b>	Unaudited Period ended 30 September 2015 £000	Unaudited Year ended 31 March 2016 £000
<b>Operating activities</b>			
Operating profit	-	-	-
Interest paid	<b>(5,288)</b>	(5,288)	(10,577)
<b>Net cash used in operating activities</b>	<b>(5,288)</b>	(5,288)	(10,577)
<b>Investing activities</b>			
Interest received and similar income	<b>5,288</b>	5,288	10,577
<b>Net cash generated from investing activities</b>	<b>5,288</b>	5,288	10,577
<b>Net increase in cash and cash equivalents</b>	-	-	-
<b>Cash and cash equivalents brought forward</b>	<b>50</b>	50	50
<b>Cash and cash equivalents at end of the period</b>	<b>50</b>	50	50

The March 2016 financial statements were prepared under FRS 101, 'Reduced Disclosure Framework' and therefore a Statement of Cash Flows was neither presented nor audited.



## **NOTES TO THE CONDENSED SET OF FINANCIAL STATEMENTS**

### **1 GENERAL INFORMATION**

The financial information for the 6 month period ended 30 September 2016 and similarly the period ended 30 September 2015 has neither been audited nor reviewed by the auditor. The financial information for the year ended 31 March 2016 has been based on information in the audited financial statements for that year, with the exception of the cash flow statement which was not presented in the Company's 2016 financial statements as they were prepared under FRS101 'Reduced Disclosure Framework'; accordingly this statement is unaudited.

The financial information for the year ended 31 March 2016 does not constitute the statutory financial statements for that year (as defined in s434 of the Companies Act 2006), but is derived from those financial statements. Statutory financial statements for 31 March 2016 have been delivered to the Registrar of Companies. The auditor reported on those financial statements: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under s498(2) or s498(3) Companies Act 2006.

The financial information for the year ended 31 March 2016 is not a direct copy of the 31 March 2016 financial statements because these financial statements were prepared under FRS 101. Therefore although the 31 March 2016 financial information, with the exception of the cash flow statement, does come from audited financial statements the actual presentation and format used in these half year financial statements has not been audited.

### **2 SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of preparation**

The Annual Report and Financial Statements of the Company are prepared in accordance with FRS 101, 'Reduced Disclosure Framework' as issued by the Financial Reporting Council. The Half Year Condensed Financial Statements of the Company have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' ('IAS 34') as adopted by the European Union.

The results for the period ended 30 September 2016 have been prepared using the same methods of computation and on the basis of accounting policies consistent with those set out in the Annual Report and Financial Statements of NWEN Finance plc for the year ended 31 March 2016.

The Directors do not believe that the Company is affected by seasonal factors which would have a material effect on the performance of the Company when comparing the interim results to those expected to be achieved in the second half of the year.

#### **Going concern**

When considering continuing to adopt the going concern basis in preparing the Half Year Condensed Financial Statements for the six months ended 30 September 2016, the Directors have taken into account a number of factors, including the financial position of the Company and the Group in which it operates. The Company's obligations in respect of the listed debt are met via income receivable from North West Electricity Networks (Holdings) Ltd. The Directors have updated their going concern consideration at the half year period ended 30 September 2016 in respect of the Group and in particular for the North West Electricity Networks Plc group which produces Half Year Condensed Consolidated Financial Statements. Disclosure of the considerations made by the Directors in terms of the North West Electricity Networks Plc group and Company's cash flows, liquidity position and borrowing facilities and covenant compliance can be found in the North West Electricity Networks Plc Half Year Condensed Consolidated Financial Statements.

Consequently, after making the appropriate enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, it is appropriate to adopt the going concern basis in preparing the Half Year Condensed Financial Statements.

#### **Significant accounting policies**

There are no accounting policies and standards to be adopted for the six month period ended 30 September 2016, or for the remainder of the year to 31 March 2017, that has a significant impact on the Company.

Notes to the condensed set of financial statements *(continued)*

**3 INVESTMENT INCOME**

	<b>Unaudited Period ended 30 September 2016 £000</b>	Unaudited Period ended 30 September 2015 £000	Audited Year ended 31 March 2016 £000
Interest receivable from Group companies	<u>5,293</u>	<u>5,293</u>	<u>10,587</u>

**4 FINANCE EXPENSE**

	<b>Unaudited Period ended 30 September 2016 £000</b>	Unaudited Period ended 30 September 2015 £000	Audited Year ended 31 March 2016 £000
Interest payable on borrowings held at amortised cost	<u>5,288</u>	<u>5,288</u>	<u>10,577</u>

**5 TAXATION**

	<b>Unaudited Period ended 30 September 2016 £000</b>	Unaudited Period ended 30 September 2015 £000	Audited Year ended 31 March 2016 £000
<b>Current tax:</b>			
Current year	<u>1</u>	<u>1</u>	<u>2</u>

Corporation tax is calculated at 20%, (period ended 30 September 2015: 20%, year ended 31 March 2016: 20%) being the best estimate of the effective tax rate for the full financial year. There is no deferred tax in any period.

## Notes to the condensed set of financial statements *(continued)*

### 6 TRADE AND OTHER RECEIVABLES

	<b>Unaudited 30 September 2016 £000</b>	Unaudited 30 September 2015 £000	Audited 31 March 2016 £000
<b>Non-current assets</b>			
Amounts due from parent undertaking	<b>180,000</b>	180,000	180,000
<b>Current assets</b>			
Amounts due from parent undertaking	<b>2,975</b>	2,965	2,970

On 21 March 2013 the Company loaned North West Electricity Networks (Holdings) Limited (the "Parent Company") proceeds of £180.0m in relation to the bond issue of £180.0m at 5.875 per cent fixed rate due 2021, on terms aligned to the terms of the external bond (see Note 7). The amount due in less than one year is interest relating to that loan.

### 7 BORROWINGS AND TRADE AND OTHER PAYABLES

	<b>Unaudited 30 September 2016 £000</b>	Unaudited 30 September 2015 £000	Audited 31 March 2016 £000
<b>Non-current liabilities</b>			
Bonds	<b>180,000</b>	180,000	180,000
<b>Current liabilities</b>			
Trade and other payables	<b>2,938</b>	2,937	2,944

The Company has £180.0m 5.875 per cent fixed rate bonds due 2021, guaranteed by North West Electricity Networks (Holdings) Limited. The amount due in less than one year is interest relating to that bond.