

ENW Capital Finance plc

Annual Report and Financial Statements for the year ended 31 March 2015

ENW Capital Finance plc (the “Company”) is pleased to announce its Annual Financial Report for the year ended 31 March 2015. The Annual Financial Report, together with those of North West Electricity Networks plc, guarantor of the bonds listed by the Company on the London Stock Exchange, is available to view on the Company’s website: www.enwl.co.uk.

In accordance with the requirements of Listing Rule 17.3.1, a copy of the Company’s annual financial report, together with those of its guarantor, has been submitted to the National Storage Mechanism and will shortly be available for inspection at: <http://www.hemscott.com/nsm.do>.

In accordance with Disclosure and Transparency Rule 6.3.5 the Annual Financial Report is here reproduced in full unedited text (the Company has not taken advantage of the exemption afforded in 6.3.5 (2)).

For further information please contact Electricity North West’s press office on 0844 209 1957 or email pressoffice@enwl.co.uk

ENW Capital Finance plc

Annual Report and Financial Statements

for the year ended 31 March 2015

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Strategic Report

Business review and principal activities

The principal activity of ENW Capital Finance plc ("the Company") during the year ended 31 March 2015 was that of a financing company which has notes in issue and listed on the London Stock Exchange (the "NWEN Notes"). The Company is a financing entity within the North West Electricity Networks (Jersey) Limited Group (the "Group") and following the issue of the NWEN Notes, lent the net proceeds to its immediate parent company North West Electricity Networks plc ("NWEN").

The Company operates solely as a financing company and therefore there are no non-financial key performance indicators. An understanding of the Group's non-financial key performance indicators is disclosed in the annual report and financial statements of the key trading subsidiary, Electricity North West Limited ("ENWL").

Principal risks and uncertainties

As the Company's obligations in respect of the NWEN Notes are met via income receivable from NWEN the Board considers the principal risks and uncertainties facing the Company to be those that affect NWEN 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 Strategic Report of the ENWL annual report and consolidated Financial Statements.

Financial Performance and key performance indicators

The Company has borrowings, net of cash and short-term deposits, of £299.8m at 31 March 2015 (2014: £299.7m), relating to the NWEN notes, which have a medium-term maturity. The NWEN Notes have a nominal value of £300.0m at 6.75 per cent, maturing in 2015 and are held at amortised cost net of discount on issue. The Company recognises a receivable from NWEN equal to the external borrowings. There are no planned changes in the business activities of the Company. The results for the year are set out in the Profit and Loss Account on page 7.

Corporate governance

The details of the internal control and risk management systems which govern the Company in relation to the financial process are outlined in the Corporate Governance statement

contained in the ENWL annual report and consolidated Financial Statements which are available on the website www.enwl.co.uk.

ENW Capital Finance plc's internal control framework consists of the following:

- A Risk, Control and Assurance team which has the responsibility for independently assessing the adequacy and effectiveness of the management of significant risk areas and internal control; and
- Comprehensive compliance regimes are in place within the Company.

ENW Capital Finance plc's risk management framework consists of the following:

- All enterprise risks are managed on a single corporate risk register which is maintained by the Risk, Control and Assurance team; and
- All open risks, associated controls and mitigating actions are reviewed on a monthly basis as part of a well embedded risk monitoring process.

ENW Capital Finance plc has given consideration to the UK Corporate Governance Code and seeks to adopt its principles where appropriate for the size and nature of the company.

The ENW Capital Finance plc audit committee is responsible for performing the functions set out in section 7.1.3 of the Disclosure and Transparency Rules of the Financial Services Authority. Membership consists of John Gittins, Niall Mills and Mark Walters all of whom have competence in accounting. John Gittins is considered an Independent Non-Executive Director and was Chairman of the Committee for the year under review.

Fair, balanced & understandable

The Directors have reviewed the Annual Report and Accounts at the Board's request, to ensure they are fair, balanced and understandable. As part of its review of the Annual Report and Accounts the Directors have acknowledged the detailed guidance given to contributors of the accounts. As part of this process the Directors have taken guidance and advice from our external auditors.

Going concern

After making enquires, and based on the assumptions, sensitivities and uncertainties outlined above and in note 1 to the Financial Statements, 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 Financial Statements.

Approved by the Board on 27 May and signed on its behalf by:

S Johnson
Director

Directors' Report

The Directors present their annual report and the audited Financial Statements of the Company for the year ended 31 March 2015.

Dividends

Dividends recognised in the year were £nil (2014: £nil). The Directors do not propose a final dividend for the year ended 31 March 2015 (2014: £nil).

Directors

The names of the Directors who held office during the year and thereafter are set out below. All were directors for the full year except where noted.

J Gittins

S Johnson

N Mills

M Walters

A Dench (appointed 29 January 2015 and resigned on 5 May 2015)

At no time during the year did any Director have a material interest in any contract or arrangement which was significant in relation to the Company's business (2014: same).

Events after the Balance Sheet date

There have been no significant events after the Balance Sheet date.

Directors' and officers' insurance

The Company maintains an appropriate level of directors' and officers' insurance whereby Directors are indemnified against liabilities to third parties to the extent permitted by the Companies Act.

Auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

- (1) so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- (2) he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board on 27 May 2015 and signed on its behalf by:

S Johnson
Director

Registered address

ENW Capital Finance plc
304 Bridgewater Place
Birchwood Park
Warrington
United Kingdom
WA3 6XG

Registered number: 06873051

Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report to the Members of ENW Capital Finance plc

We have audited the Financial Statements of ENW Capital Finance plc for the year ended 31 March 2015 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited

financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 101; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Patrick J Loftus ACA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom

27 May 2015

PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2015

	<i>Note</i>	2015 £'000	2014 £'000
Operating profit	2	-	-
Interest receivable and similar income	4	20,409	20,396
Interest payable and similar charges	5	(20,399)	(20,386)
Profit on ordinary activities before tax		10	10
Tax	6	(2)	(2)
Profit for the financial year	13	8	8

All the results shown in the profit and loss account, for both the current year and preceding year, derive from continuing operations.

There are no other recognised gains and losses for the current financial year and preceding year other than the profit shown above and therefore no separate Statement of Comprehensive Income has been presented.

BALANCE SHEET
As at 31 March 2015

	<i>Note</i>	2015 £'000	2014 £'000
Non-current assets			
Debtors: due after one year	8	-	299,668
		<u>-</u>	<u>299,668</u>
Current assets			
Debtors: due within one year	7	305,556	5,729
Cash at bank and in hand	9	14	14
		<u>305,570</u>	<u>5,743</u>
Creditors: Amounts falling due within one year:	11	(305,513)	(5,694)
		<u>57</u>	<u>49</u>
Net current assets			
		<u>57</u>	<u>49</u>
Total assets less current liabilities			
		57	299,717
Creditors: Amounts falling due after more than one year:			
Borrowings	10	-	(299,668)
		<u>57</u>	<u>49</u>
Net assets			
		<u><u>57</u></u>	<u><u>49</u></u>
Capital and reserves			
Called up share capital	12, 13	13	13
Profit and loss account	13	44	36
		<u>57</u>	<u>49</u>
Total shareholder's funds			
	13	<u><u>57</u></u>	<u><u>49</u></u>

The Financial Statements of ENW Capital Finance plc (registered number 06873051) were approved and authorised for issue by the Board of Directors on 27 May 2015 and signed on its behalf by:

S Johnson
Director.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2015

	Share capital	Retained earnings	Total
	£'000	£'000	£'000
Balance at 1 April 2013	13	28	41
Profit and total comprehensive income for the year	-	8	8
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2014	13	36	49
Profit and total comprehensive income for the year	-	8	8
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2015	13	44	57
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

ENW Capital Finance plc is a company incorporated in the United Kingdom under the Companies Act 2006.

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the Financial Statements are set out below:

Basis of preparation

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 ("FRS 100") issued by the Financial Reporting Council and the financial statements have therefore been prepared in accordance with FRS 101 as issued by the Financial Reporting Council.

As permitted by FRS 101, for both periods presented, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of a cash flow statement, standards not yet effective and related party transactions with other wholly-owned members of the group. Where relevant, equivalent disclosures are given in the group financial statements of North West Electricity Networks plc. The group financial statements of North West Electricity Networks plc are available to the public and can be obtained as set out in note 15.

The financial statements have been prepared on the historical cost basis. The Company's financial statements are presented in Sterling which is also the functional currency. All values are rounded to the nearest thousand pounds (£'000) except where otherwise stated.

All Company operations arise from its activities as a financing company in the North West of England. Accordingly only one operating and geographic segment is therefore regularly reviewed by the Chief Executive Officer and Executive Team.

Basis of preparation – going concern basis

The performance, financial position and key risks impacting the Company are detailed in the Strategic Report on page 3. The Company is ultimately a subsidiary of the North West Electricity Networks (Jersey) Limited group, which manages its working capital on a pooled basis across the group. The ability of the Company to meet its debts as they fall due is dependent on the fellow group subsidiaries' ability to service its debts to the Company. In consideration of this the Directors of this Company are cognisant of the following going concern disclosure which appears in the Financial Statements of North West Electricity Networks (Jersey) Limited for the year ended 31 March 2015:

When considering continuing to adopt the going concern basis in preparing the Annual Report and Consolidated Financial Statements, the Directors have taken into account a number of factors, including the following:

- ✔ *ENWL's electricity distribution licence includes the obligation in standard condition 40 to maintain an investment grade issuer credit rating;*
- ✔ *Under section 3A of the Electricity Act 1989, the Gas and Electricity Markets Authority has a duty, in carrying out its functions, to have regard to the need to secure that licence holders are able to finance their activities, which are the subject of obligations imposed by or under Part 1 of the Electricity Act 1989 or the Utilities Act 2000;*
- ✔ *Management has prepared, and the Directors have reviewed, updated Group budgets for the period ending 31 March 2016 which include projections and cash flow forecasts, including covenant compliance considerations. The forecasts include appropriate assumptions on the efficiencies forecast from business transformation. Inherent in forecasting is an element of uncertainty, our forecasts have been sensitised for possible changes in the key assumptions, including RPI and over/under recoveries of allowed revenue, and demonstrate that there is sufficient headroom on key covenants and that sufficient resources are available within the forecast period;*
- ✔ *Management have also prepared, and the Directors have reviewed, longer term forecasts covering the RIIO-ED1 period. The forecasts demonstrate sufficient liquidity and headroom against key ratio's to support the going concern basis;*
- ✔ *Short-term liquidity requirements are forecast to be met from the Group's normal operating cash flow. Further liquidity is provided by cash and short-term deposit balances. Furthermore, committed undrawn bank facilities of £50m within ENWL and £282m in NWEN are available from lenders. Whilst the*

Notes to the financial statements *(continued)*

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Basis of preparation – going concern basis *(continued)*

- ▣ *utilisation of these facilities is subject to gearing covenant restrictions, projections to 31 May 2016 indicate there is significant headroom on these covenants;*
- ▣ *The Group and ENWL are financed largely by long term external funding, and this, together with the present cash position and committed undrawn facilities, provides the appropriate liquidity platform to allow the Company and Group to meet their operational and financial commitments for the foreseeable future. The Group and ENWL are financed largely by long term external funding, and this, together with the present cash position and committed undrawn facilities, provides the appropriate liquidity platform to allow the Company and Group to meet their operational and financial commitments for the foreseeable future; and*
- ▣ *A £300m 6.75% bond issued by ENW Capital Finance plc is due to mature in June 2015. A United States Private Placement (USPP) has been entered into by subsidiary company NWEN plc for the amount of £305m to repay the amount due on maturity. As at 31 March 2015, £120m of the balance has been drawn down, and the remainder will be available on 18 June 2015, prior to the maturity date of the bonds.*

Consequently, after making appropriate enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Consolidated Financial Statements.

The above text from North West Electricity Networks (Jersey) Limited's Financial Statements cross refers to disclosures within its Strategic Report. This information is also available within the statutory Financial Statements of Electricity North West Limited, the main trading company of the Group, and can be read in that company's Financial Statements.

£300 million of fixed rate loan note liabilities issued by the Company mature in June 2015. The borrowing will be repaid through funds to be received from the parent company in settlement of the intercompany loan with the same maturity date. The parent company (NWEN) held £120m of cash at the year end and has an agreed loan facility more than sufficient to cover the remaining obligation.

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 annual report and Financial Statements.

Notes to the financial statements *(continued)*

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Basis of preparation – adoption of new and revised standards

The Directors are not aware of any new or revised Standards or Interpretations which have impacted these Financial Statements.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

Debtors

Debtors are stated at their nominal value, less any allowances made for any estimated irrecoverable amounts.

Creditors

Creditors are stated at their nominal value.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Notes to the financial statements *(continued)*

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial liabilities

Financial liabilities, including borrowings are initially recognised at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest rate method.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Borrowing costs and interest income

All borrowing costs and interest income that are not directly attributable to the acquisition, issue or disposal of a financial asset or financial liability are recognised in the Profit and Loss Account in the period in which they are accrued. Transaction costs that are directly attributable to the issue of the financial liabilities have been capitalised, and are being amortised, within North West Electricity Network Limited, since that company is deemed to have the financial benefit of the financing transactions.

Operating profit

Operating profit is stated after charging operating expenses but before investment income, finance expense and other gains and losses.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current taxation

Current tax, representing UK corporation tax, is based on the taxable profit for the period and is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date. Taxable profit differs from the net profit as reported in the Profit and Loss Account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Critical accounting policies

On an ongoing basis, the Company evaluates its estimates, judgements and assumptions using historical experience, available information and other methods considered reasonable in the particular circumstances. Actual results may differ significantly from the estimates, the effect of which is recognised in the year in which the facts that give rise to the revision become known.

Notes to the financial statements *(continued)*

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

The following policies are those critical judgements which the Company believes have the most significant impact on the annual results under FRS 101:

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each Balance Sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

2. OPERATING PROFIT

Audit fees payable to Deloitte LLP of £6,908 for the year (2014: £7,021) were borne by another Group company and have not been recharged (2014: same). There are no non-audit fees in 2015 (2014: £nil). Any fees payable to professional services firms are borne by ENWL (2014: same).

3. DIRECTORS AND EMPLOYEES

The Company had no employees during the current or preceding year. Directors' costs are borne by another Group company and cannot be fairly apportioned to the Company (2014: same).

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2015	2014
	£'000	£'000
Interest receivable from parent undertaking	20,409	20,396

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2015	2014
	£'000	£'000
Interest payable on borrowings held at amortised cost	20,399	20,386

Notes to the financial statements *(continued)*

6. TAX

	2015 £'000	2014 £'000
Current tax:		
UK corporation tax	2	2
	<u>2</u>	<u>2</u>

Corporation tax is calculated at 21% (2014: 23%) of the estimated assessable profit for the year.

The corporation tax rate is 20% from 1 April 2015.

The table below reconciles the notional tax charge at the UK corporation tax rate to the effective tax rate for the year:

	2015 £'000	2015 %	2014 £'000	2014 %
Profit before tax	10		10	
Tax charge at the UK corporation tax rate of 21% (2014: 23%)	2	21.0	2	23.0
	<u>2</u>	<u>21.0</u>	<u>2</u>	<u>23.0</u>

There is no deferred tax in the company in the current or prior year.

7. DEBTORS: DUE WITHIN ONE YEAR

	2015 £'000	2014 £'000
Amounts falling due within one year:		
Amounts due from parent undertaking (note 8)	305,556	5,729
	<u>305,556</u>	<u>5,729</u>

8. DEBTORS: DUE AFTER ONE YEAR

	2015 £'000	2014 £'000
Amounts falling due after one year:		
Amounts due from parent undertaking	-	299,668
	<u>-</u>	<u>299,668</u>

On 21 July 2009 the Company loaned North West Electricity Networks plc (the "Parent Company") proceeds of £299.1m in relation to the NWEN Notes issue of £300.0m at 6.75 per cent fixed rate due 2015, net of discount on issue, on equivalent terms. The carrying value of the receivable reflects the amortisation of the discount. The intercompany debt is due to be settled in June 2015 on maturity of the NWEN Notes held by the Company, and will be settled with proceeds of debt arranged in North West Electricity Networks plc in October 2014.

Notes to the financial statements *(continued)*

9. CASH AT BANK AND IN HAND

	2015 £'000	2014 £'000
Cash at bank and in hand	<u>14</u>	<u>14</u>

10. BORROWINGS

This note provides information about the contractual terms of the Company's loans and borrowings. For more information about the Group's financial risk management and exposure to credit risk, liquidity risk and market risk refer to the consolidated Financial Statements of NWEN.

	2015 £'000	2014 £'000
Borrowings measured at amortised cost		
6.75% £300m bond maturing 2015	<u>299,817</u>	<u>299,668</u>

Borrowings are repayable as follows:

	2015 £'000	2014 £'000
Within one year	299,817	-
Between one and two years	-	299,668
Between two and five years	-	-
After five years	-	-
	<u>299,817</u>	<u>299,668</u>

The Company has issued £300.0m 6.75 per cent fixed rate NWEN Notes due 2015, guaranteed by North West Electricity Networks plc (the Parent Company) and NWEN Group Limited.

Borrowing facilities

The Company had no unutilised committed bank facilities at 31 March 2015 (2014: £nil). There is no bank overdraft facility in place at 31 March 2015 (2014: £nil).

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £'000	2014 £'000
Accrued interest	5,682	5,682
Amounts due to Group undertaking	14	12
6.75% £300m bond maturing 2015 (note 10)	<u>299,817</u>	<u>-</u>
	<u>305,513</u>	<u>5,694</u>

Notes to the financial statements *(continued)*

12. CALLED UP SHARE CAPITAL

	2015 £'000	2014 £'000
Authorised and allotted:		
50,000 ordinary shares of £1 each	<u>50</u>	<u>50</u>
	2015 £'000	2014 £'000
Allotted and part paid		
50,000 ordinary shares of £1 each, of which £0.25 has been called up and paid	<u>13</u>	<u>13</u>

13. TOTAL SHAREHOLDER'S FUNDS

	Share capital £'000	Profit and loss account £'000	Total £'000
Balance at 1 April 2013	13	28	41
Profit for the year	-	8	8
	<u>13</u>	<u>36</u>	<u>49</u>
Balance at 31 March 2014	-	8	8
Profit for the year	-	8	8
	<u>13</u>	<u>44</u>	<u>57</u>
Balance at 31 March 2015	13	44	57

14. FINANCIAL COMMITMENTS

There are no contracted for but not provided for financial commitments at the yearend (2014: £nil).

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is North West Electricity Networks plc and the ultimate parent undertaking is North West Electricity Networks (Jersey) Limited, a company incorporated and registered in Jersey. The external address of the ultimate parent company is: Ogier House, The Esplanade, St Helier, JE4 9WG.

The largest group in which the results of the Company are consolidated is that headed by North West Electricity Networks (Jersey) Limited, incorporated in Jersey. The smallest group in which they are consolidated is that headed by North West Electricity Networks plc, a company incorporated and registered in the UK. The consolidated Financial Statements of this group are available to the public and may be obtained from 304 Bridgewater Place, Birchwood Park, Warrington, WA3 6XG.

First State Investment Fund Managements S.a.r.l. on behalf of First State European Diversified Infrastructure Fund FCP-SIF ('EDIF') and IIF Int'l Holding GP Ltd ('IIF') have been identified as ultimate controlling parties and are advised by Colonial First State Global Asset Management (a member of the Commonwealth Bank of Australia Group) and JP Morgan Investment Management Inc respectively.