

ENW Capital Finance plc (the “Company”) is pleased to announce its unaudited half year condensed financial statements for the period ended 30 September 2015.

The unaudited half year condensed financial statements, 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 at: <http://www.enwl.co.uk/about-us/financial-reports>

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

Company Registration No. 06873051

ENW Capital Finance plc
Half Year Condensed Financial Statements
for the period ended 30 September 2015

Contents

CONTENTS

| | |
|--|---|
| Interim management report | 3 |
| Condensed income statement | 5 |
| Condensed statement of financial position | 6 |
| Condensed statement of changes in equity | 7 |
| Condensed statement of cash flows | 8 |
| Notes to the condensed set of financial statements | 9 |

INTERIM MANAGEMENT REPORT**Cautionary statement**

This interim management report contains certain forward-looking statements with respect to the financial condition and business of ENW Capital 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 are given below:

D Brocksom (appointed 5 October 2015)

A Dench (resigned 5 May 2015)

C Dowling (appointed 20 July 2015)

J Gittins (resigned 20 July 2015)

N Mills

S Johnson

M Walters

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 had notes in issue and listed on the London Stock Exchange (the 'Notes') that were redeemed on maturity in the period. 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 2015 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 Notes are met via income receivable from North West Electricity Networks Plc (this was a Limited Company until 6th October 2014), the Board considers the principal risks and uncertainties facing the Company to be those that affect North West Electricity Networks Plc 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 2015.

All of the Reports and Consolidated Financial Statements within the North West Electricity Networks (Jersey) Limited group can be found at www.enwl.co.uk.

Going concern

After making enquires, 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. The £300m bond was redeemed on maturity in June 2015 using the proceeds received from North West Electricity Networks Plc on settlement of the intercompany loan that expired on the same date. North West Electricity Networks Plc financed this with a £305m US private placement, agreed in October 2014. The funds were received, denominated in sterling, in two tranches, one of £120m in December 2014 and a second of £185m in June 2015.

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

23 November 2015

CONDENSED INCOME STATEMENT
For the period ended 30 September 2015

| | Note | Unaudited Period ended 30 September 2015 £000 | Unaudited Period ended 30 September 2014 £000 | Audited Year ended 31 March 2015 £000 |
|---|-------------|--|---|---|
| Operating profit | | - | - | - |
| Investment income | 3 | 4,629 | 10,229 | 20,409 |
| Finance expense | 4 | (4,626) | (10,224) | (20,399) |
| Profit before taxation | | 3 | 5 | 10 |
| Taxation | 5 | (1) | (1) | (2) |
| Profit for the period/year attributable to the equity shareholders | | 2 | 4 | 8 |

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.

The notes on pages 9 to 12 form part of the condensed financial statements.

CONDENSED STATEMENT OF FINANCIAL POSITION
As at 30 September 2015

| | Note | Unaudited 30 September 2015 £000 | Unaudited 30 September 2014 £000 | Audited 31 March 2015 £000 |
|-----------------------------|-------------|---|---|-------------------------------------|
| ASSETS | | | | |
| Current assets | | | | |
| Trade and other receivables | 6 | 60 | 305,501 | 305,556 |
| Cash and cash equivalents | | 14 | 14 | 14 |
| Total assets | | 74 | 305,515 | 305,570 |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Trade and other payables | 7 | - | (305,449) | (305,499) |
| Current tax liabilities | 8 | (15) | (13) | (14) |
| Total liabilities | | (15) | (305,462) | (305,513) |
| Net current assets | | 59 | 53 | 57 |
| Net assets | | 59 | 53 | 57 |
| EQUITY | | | | |
| Called up share capital | | 13 | 13 | 13 |
| Retained earnings | | 46 | 40 | 44 |
| Total equity | | 59 | 53 | 57 |

Approved by the Board of Directors

and signed on its behalf by:

D Brocksom

Director

23 November 2015

The notes on pages 9 to 12 form part of the condensed financial statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY
For the period ended 30 September 2015

| | Called up share capital | Retained earnings | Total equity |
|---|--|------------------------------|-------------------------|
| | £000 | £000 | £000 |
| At 1 April 2014 | 13 | 36 | 49 |
| Profit for the period | - | 4 | 4 |
| At 30 September 2014 (unaudited) | <u>13</u> | <u>40</u> | <u>53</u> |
| At 1 April 2014 | 13 | 36 | 49 |
| Profit for the year | - | 8 | 8 |
| At 31 March 2015 (audited) | <u>13</u> | <u>44</u> | <u>57</u> |
| Profit for the period | - | 2 | 2 |
| At 30 September 2015 (unaudited) | <u>13</u> | <u>46</u> | <u>59</u> |

The notes on pages 9 to 12 form part of the condensed financial statements.

CONDENSED STATEMENT OF CASH FLOWS

For the period ended 30 September 2015

| | Unaudited Period ended 30 September 2015 £000 | Unaudited Period ended 30 September 2014 £000 | Unaudited* Year ended 31 March 2015 £000 |
|--|--|---|--|
| Operating activities | | | |
| Operating profit | - | - | - |
| Interest paid | (10,125) | (10,125) | (20,250) |
| Net cash used in operating activities | (10,125) | (10,125) | (20,250) |
| Investing activities | | | |
| Interest received and similar income | 10,125 | 10,125 | 20,250 |
| Net cash generated from investing activities | 10,125 | 10,125 | 20,250 |
| Financing activities | | | |
| Proceeds redeeming intercompany borrowings | 300,000 | - | - |
| Repayment of borrowings | (300,000) | - | - |
| Net cash used in financing activities | - | - | - |
| Net increase in cash and cash equivalents | - | - | - |
| Cash and cash equivalents brought forward | 14 | 14 | 14 |
| Cash and cash equivalents at end of the period/year | 14 | 14 | 14 |

The notes on pages 9 to 12 form part of the condensed financial statements.

*The March 2015 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 2015 and similarly the period ended 30 September 2014 has neither been audited nor reviewed by the auditor. The financial information for the year ended 31 March 2015 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 2015 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 2015 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 2015 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 2015 is not a direct copy of the 31 March 2015 financial statements because these financial statements were prepared under FRS 101. Therefore although the 31 March 2015 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 ACCOUNTING POLICIES

Basis of preparation

The annual 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 2015 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 ENW Capital Finance plc for the year ended 31 March 2015.

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 achieved in the second half of the year.

Going concern

When considering continuing to adopt the going concern basis in preparing the Annual Report and Financial Statements of the Company, 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 Notes are met via income receivable from North West Electricity Networks Plc. The Directors have updated their going concern consideration at the half year period ended 30 September 2015 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.

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

Significant accounting policies

There are no accounting policies and standards to be adopted for the six month period ended 30 September 2015 or for the year ending 31 March 2016 that has a significant impact on the Company.

3 INVESTMENT INCOME

| | Unaudited Period ended 30 September 2015 £000 | Unaudited Period ended 30 September 2014 £000 | Audited Year ended 31 March 2015 £000 |
|--|--|---|---|
| Interest receivable from Group companies | <u>4,629</u> | <u>10,229</u> | <u>20,409</u> |

4 FINANCE EXPENSE

| | Unaudited Period ended 30 September 2015 £000 | Unaudited Period ended 30 September 2014 £000 | Audited Year ended 31 March 2015 £000 |
|---|--|---|---|
| Interest payable on borrowings held at amortised cost | <u>4,626</u> | <u>10,224</u> | <u>20,399</u> |

5 TAXATION

| | Unaudited Period ended 30 September 2015 £000 | Unaudited Period ended 30 September 2014 £000 | Audited Year ended 31 March 2015 £000 |
|-------------------------------------|--|---|---|
| Current tax: | | | |
| UK corporation tax: Current year | <u>1</u> | <u>1</u> | <u>2</u> |

Corporation tax is calculated at 20% for the period to 30 September 2015 (30 September 2014: 21%, 31 March 2015: 21%) being the best estimate for the effective tax rate for the financial year to 31 March 2016. There is no deferred tax in any period.

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

6 TRADE AND OTHER RECEIVABLES

This note provides information about the contractual terms of the Company's receivables.

| | Unaudited 30 September 2015 £000 | Unaudited 30 September 2014 £000 | Audited 31 March 2015 £000 |
|-------------------------|---|---|-------------------------------------|
| Current assets | | | |
| Intercompany - Loan | - | 299,767 | 299,817 |
| Intercompany - Interest | 60 | 5,734 | 5,739 |
| | 60 | 305,501 | 305,556 |

On 21 July 2009 the Company loaned North West Electricity Networks Plc (the 'Parent Company') net 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 intercompany debt was settled in June 2015 on maturity of the NWEN Notes held by the Company; it was settled with proceeds of the debt arranged in North West Electricity Networks Plc in October 2014.

7 BORROWINGS AND TRADE AND OTHER PAYABLES

This note provides information about the Company's loans and borrowings.

| | Unaudited 30 September 2015 £000 | Unaudited 30 September 2014 £000 | Audited 31 March 2015 £000 |
|----------------------------|---|---|-------------------------------------|
| Current liabilities | | | |
| Bonds | - | 299,767 | 299,817 |
| Accrued interest | - | 5,682 | 5,682 |
| | - | 305,449 | 305,499 |

The £300.0m 6.75% fixed rate Notes, guaranteed by the Parent Company and NWEN Group Limited, issued by the Company were redeemed on maturity in June 2015.

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

8 CURRENT INCOME TAX LIABILITIES

| | Unaudited 30 September 2015 £000 | Unaudited 30 September 2014 £000 | Audited 31 March 2015 £000 |
|--|---|---|-------------------------------------|
| Current liabilities | | | |
| Current income tax liability owed to group | <u>15</u> | <u>13</u> | <u>14</u> |

9 RELATED PARTIES

During the period, the Company entered into the following transactions with related parties:

| | Unaudited period ended 30 September 2015 £000 | Unaudited period ended 30 September 2014 £000 | Unaudited* year ended 31 March 2015 £000 |
|--|--|---|--|
| Interest receivable from North West Electricity Networks Plc | <u>4,629</u> | <u>10,229</u> | <u>20,409</u> |

Amounts outstanding between the Company and other companies within the North West Electricity Networks (Jersey) group:

| | Unaudited period ended 30 September 2015 £000 | Unaudited period ended 30 September 2014 £000 | Unaudited* year ended 31 March 2015 £000 |
|---|--|---|--|
| Loan to North West Electricity Networks Plc | - | 299,767 | 299,817 |
| Interest receivable from North West Electricity Networks Plc (note 6) | 60 | 5,734 | 5,739 |
| Corporation tax payable to North West Electricity Networks Plc (note 8) | <u>15</u> | <u>13</u> | <u>14</u> |

The loan to North West Electricity Networks Plc was settled in June 2015; it carried interest of 6.75% fixed rate.

*As permitted by FRS 101, a related parties note was not presented in the 31 March 2015 financial statements.