

**ENW CAPITAL FINANCE plc**

**Annual Report and Financial Statements**

**For the period from 8 April 2009 to 31 March  
2010**

**REPORT AND FINANCIAL STATEMENTS 2010**

<b>Directors' Report</b>	<b>1</b>
<b>Independent Auditors' Report to the Members of ENW Capital Finance plc</b>	<b>4</b>
<b>Income Statement</b>	<b>5</b>
<b>Statement of Financial Position</b>	<b>6</b>
<b>Statement of Changes in Equity</b>	<b>7</b>
<b>Statement of Cash Flows</b>	<b>8</b>
<b>Notes to the Financial Statements</b>	<b>9</b>

## Directors' Report

The directors present their report and the audited financial statements of ENW Capital Finance plc (the 'Company') for the period ended 31 March 2010 which represents the first period following incorporation.

### Business review and principal activities

The Company was incorporated on 8 April 2009 as a public limited company. The principal activity of the Company during the period from incorporation to 31 March 2010 was that of a financing company which issued Notes and listed them on the London Stock Exchange. The Company is a financing entity within the North West Electricity Networks (Jersey) Limited group (the "Group") and following the issue of Notes, it has lent the proceeds to its immediate parent company North West Electricity Networks Limited (NWEN).

### Profit and dividends

The results for the period set out in the income statement on page 5.

During the period dividends recognised in the period were £Nil. The directors cannot propose a final dividend for the period ended 31 March 2010.

### Important Events

On 21 July 2009 the Company:

- (1) issued GBP 300,000,000 6.75 per cent. fixed rate Notes due 2015 (the "NWEN Notes"), listed on the London Stock Exchange; and
- (2) entered into a loan arrangement with NWEN for the proceeds of the NWEN Notes.

### Principal risks and uncertainties

As the Company's obligations in respect of the listed notes are met via income receivable from NWEN in relation to the NWEN notes 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 ("ENW") and a comprehensive review of the business model, the regulatory environment, the resources and principal risks and uncertainties facing that Company, and ultimately the Group, are discussed in pages 11-16 of the ENW annual accounts.

### Financial position

The Company has borrowings net of cash and short-term deposits of £299.1m at 31 March 2010 which relates to the aforementioned bond which has a long-term maturity. The bond has a nominal value of £300m at 6.75 per cent that matures in 2015 and is held at amortised cost net of discount on issue. The Company recognises a receivable from NWEN equal to the external borrowings. The finance costs incurred and the income receivable net to £nil in the Company such that the net assets of the Company are £12,500 and equal the share capital issued.

### Going Concern

After making enquires, and based on the assumptions outlined in the notes 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

**Directors' Report** *(continued)***Directors**

The names of the directors who held office during the period are given below:

J Gittins	(appointed 16 July 2009)
S Johnson	(appointed 8 April 2009)
C Thompson	(appointed 24 April 2009)
M Sugden	(appointed 8 April 2009, resigned 12 June 2009)
N Mills	(appointed 23 June 2009)
S Toor	(appointed 23 June 2009)

**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.

**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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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.

**Directors' Report** *(continued)*

**Information given to auditors**

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 auditors are unaware; and

(2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Independent auditor**

Following the incorporation of the Company Deloitte LLP were appointed as auditors to fill a casual vacancy. Deloitte LLP have expressed their willingness to continue in office as auditors of the Company.

In accordance with section 487 of the Companies Act 2006, Deloitte LLP are deemed to be re-appointed as auditors of the Company.

**Registered address**

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

Registered number: 6873051

By order of the board

**S Johnson**

**Director**

8 June 2010

.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ENW CAPITAL FINANCE PLC**

We have audited the financial statements of ENW Capital Finance plc for the period ended 31 March 2010 which comprise the Income Statement, the Statement of Financial Position, the Statement of Cash Flows, 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 auditors' 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 auditors**

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 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 (APB'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.

### **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 2010 and the company's results for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 Directors' Report for the financial period 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 by the parent company, 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;

Alan Fendall (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
Manchester, United Kingdom  
8 June 2010

**INCOME STATEMENT****For the period from 8 April 2009 to 31 March 2010**

	<i>Note</i>	<b>2010 £'000</b>
<b>Operating profit</b>	2	-
Investment income	4	14,185
Finance expense	5	<u>(14,185)</u>
Net investment income and finance expense		<u>-</u>
<b>Profit before taxation</b>		-
Taxation	6	<u>-</u>
<b>Profit for the period</b>		<u><u>-</u></u>

All the results shown in the income statement derive from continuing operations.

There are no other recognised gains and losses for the current financial period other than the result shown above. Accordingly a separate statement of comprehensive income has not been prepared.

**STATEMENT OF FINANCIAL POSITION**  
**At 31 March 2010**

	<i>Note</i>	<b>2010</b> <b>£'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Trade and other receivables	7	299,118
		<u>299,118</u>
<b>Current assets</b>		
Trade and other receivables	7	5,682
Cash and cash equivalents	8	13
		<u>5,695</u>
<b>Total assets</b>		<u><u>304,813</u></u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	11	(5,682)
		<u>(5,682)</u>
<b>Net current assets</b>		<u>13</u>
<b>Non-current liabilities</b>		
Borrowings	9	(299,118)
		<u>(299,118)</u>
<b>Total liabilities</b>		<u>(304,800)</u>
<b>Net assets</b>		<u><u>13</u></u>
<b>EQUITY</b>		
Called up share capital	12	13
Retained earnings	13	-
<b>Total equity</b>		<u><u>13</u></u>

The Financial Statements of ENW Capital Finance plc (registered number 6873051) were approved by the board of directors on 8 June 2010 and signed on its behalf by:

C Thompson  
 Director



**STATEMENT OF CHANGES IN EQUITY**  
**For the period from 8 April 2009 to 31 March 2010**

	<b>Called up share capital</b>	<b>Retained earnings</b>	<b>Total Equity</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
8 April 2009	-	-	-
	<hr/>	<hr/>	<hr/>
Result for the period	-	-	-
Issue of share capital	13	-	13
	<hr/>	<hr/>	<hr/>
<b>At 31 March 2010</b>	<b>13</b>	<b>-</b>	<b>13</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**STATEMENT OF CASHFLOWS**  
**For the period from 8 April 2009 to 31 March 2010**

	<i>Note</i>	<b>2010</b> <b>£'000</b>
<b>Operating activities</b>		
Cash generated from operations		-
Interest paid		(8,503)
Tax paid		-
		<hr/>
<b>Net cash used in operating activities</b>		<b>(8,503)</b>
		<hr/>
<b>Investing activities</b>		
Interest received and similar income		8,503
		<hr/>
<b>Net cash generated from investing activities</b>		<b>8,503</b>
		<hr/>
<b>Financing activities</b>		
Proceeds on issue of ordinary shares		13
Proceeds from borrowings		299,088
New Intergroup loans issued		(299,088)
		<hr/>
<b>Net cash generated by financing activities</b>		<b>13</b>
		<hr/>
<b>Net increase in cash and cash equivalents</b>		<b>13</b>
		<hr/>
<b>Net cash and cash equivalents on incorporation</b>		<b>-</b>
		<hr/>
<b>Net cash and cash equivalents at end of the period</b>	<b>8</b>	<b>13</b>
		<hr/> <hr/>

**NOTES TO THE ACCOUNTS****For the period from 8 April 2009 to 31 March 2010****1. ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of these financial statements are set out below:

**Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted for use in the European Union, including International Accounting Standards (IAS) and interpretations issued by the International Financial Reporting Interpretations Committee ('IFRIC').

The financial statements have been prepared on the historical cost basis, except for the revaluation of financial instruments, investment properties and certain property, plant and equipment.

The preparation of financial statements, in conformity with generally accepted accounting practice ('GAAP') under IFRS, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from these estimates.

**Basis of preparation – going concern basis**

The performance, financial position and key risks impacting the Company are detailed in the Directors' Report on page 2. The Company is 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 dependant 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 2010:

*When considering continuing to adopt the going concern basis in preparing the annual report and accounts, the directors have taken into account a number of factors, including the financial position of the Group, its cash flow forecasts, liquidity position, borrowing facilities and covenant compliance as described in the Directors' report on page 5. Consequently, after making the appropriate enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence and comply with its banking covenants for the foreseeable future. Accordingly, it is appropriate to adopt the going concern basis in preparing the annual report and accounts.*

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 accounts.

**Financial instruments**

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

***Trade receivables***

Trade receivables are stated at fair value, with any allowances made for any estimated irrecoverable amounts.

***Trade payables***

Trade payables are stated at their nominal value.

***Cash and cash equivalents***

In the consolidated cashflow statement and related notes, cash and cash equivalents includes cash at bank and in hand, deposits, other short-term highly liquid investments which are readily convertible on initial investment into known amounts of cash within three months and which are subject to an insignificant risk of change in value.

## NOTES TO THE ACCOUNTS

### For the period from 8 April 2009 to 31 March 2010

#### Notes (continued)

#### 1. ACCOUNTING POLICIES (continued)

##### *Financial investments*

Investments (other than interests in subsidiaries and fixed deposits) are recognised and derecognised on a trade date basis and are initially measured at fair value, including transaction costs. Investments are classified as available-for-sale and are measured at subsequent reporting dates at fair value. Gains and losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period.

##### *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.

##### *Bank borrowings*

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an amortised cost basis to the income statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. The effective interest rate is a method of calculating the amortised cost of a financial liability and of allocating interest expense to the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period.

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

##### *Borrowing costs and finance income*

All borrowing costs and finance 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 acquisition or issue of a financial asset or financial liability are included in the initial fair value of that instrument.

##### **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 income statement 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.

**NOTES TO THE ACCOUNTS**  
**For the period from 8 April 2009 to 31 March 2010**

**Notes** *(continued)*

**1. ACCOUNTING POLICIES** *(continued)*

***Deferred taxation***

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are provided, using the liability method, on all taxable temporary differences at the balance sheet date. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer more likely than not that sufficient taxable profit will be available to allow all or part of the asset to be recovered. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited to equity, in which case the deferred tax is also dealt with in equity.

**NOTES TO THE ACCOUNTS**  
**For the period from 8 April 2009 to 31 March 2010**

**2. OPERATING PROFIT**

Audit fees payable to Deloitte LLP of £3,000 were borne by another Group Company and have not been recharged. Fees payable to Deloitte LLP and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements are required to disclose such fees on a consolidated basis. Any fees payable to professional services firms are borne by NWEN.

**3. DIRECTORS AND EMPLOYEES**

The Company had no employees during the period and the Directors received no remuneration during the period from the Company.

**4. INVESTMENT INCOME**

	<b>2010</b> <b>£'000</b>
Interest receivable from parent undertaking	<u><u>14,185</u></u>

**5. FINANCE EXPENSE**

	<b>2010</b> <b>£'000</b>
Interest payable on borrowings held at amortised cost	<u><u>14,185</u></u>

**6. TAXATION**

Corporation tax is calculated at 28 per cent of the estimated assessable profit for the period.

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

	<b>2010</b> <b>£m</b>	<b>2010</b> <b>%</b>
Profit before tax	-	-
Tax at the UK corporation tax rate of 28%	-	-
	<u>          </u>	<u>          </u>
Tax charge	<u><u>-</u></u>	<u><u>-</u></u>

**NOTES TO THE ACCOUNTS**  
**For the period from 8 April 2009 to 31 March 2010**

**7. TRADE AND OTHER RECEIVABLES**

	2010 £'000
<b>Non-current assets</b>	
Amounts due from parent undertaking	299,118
	<u>299,118</u>
<b>Current assets</b>	
Amounts due from parent undertaking (interest)	5,682
	<u>5,682</u>

On 21 July 2009 the Company lent North West Electricity Networks Limited (the "Parent Company"), proceeds of £299,088,000 in relation to the Notes issue of GBP 300,000,000 at 6.75 per cent fixed rate due 2015. The carrying value of the receivable reflects the accretion of the discount over the life of the instrument to maturity.

**8. CASH AND CASH EQUIVALENTS**

	2010 £'000
Short term bank deposits including cash at bank and in hand	<u>13</u>

Cash and cash equivalents comprise cash at bank and in hand.

**9. BORROWINGS**

This note provides information about the contractual terms of the Company's loans and borrowings. For more information about the Group's exposure to credit risk, liquidity risk and market risk see note 10.

	2010 £'000
<b>Non-current liabilities (borrowings at amortised cost)</b>	
Bonds – £300m, 6.75% bond maturing 2015	299,118
	<u>299,118</u>
<b>Current liabilities</b>	
Accrued interest	5,682
	<u>5,682</u>

On 21 July 2009 the Company issued GBP 300,000,000 6.75 per cent. fixed rate Notes due 2015, guaranteed by the Company, North West Electricity Networks Limited (the "Parent Company") and NWEN Group Limited;

**Borrowing facilities**

The Company had no unutilised committed bank facilities at 31 March 2010.

**10. FINANCIAL INSTRUMENTS**

A financial instrument is a contract that gives rise to a financial asset in one entity and a financial liability or equity in another entity. The Company uses financial instruments to invest liquid asset balances, raise funding and manage the risks arising from its operations.

**NOTES TO THE ACCOUNTS****For the period from 8 April 2009 to 31 March 2010****10. FINANCIAL INSTRUMENTS (continued)**

The principal risks which the Company is exposed to and which arise in the normal course of business include credit, liquidity and market risk.

**Control over financial instruments**

The Company has a formal risk management structure, which includes the use of risk limits, reporting and monitoring requirements, mandates, and other control procedures. It is currently the responsibility of the Group Board to set and approve the risk management procedures and controls. For a full discussion of the Group's risk management policies refer to the Group Accounts.

The following is an analysis of the maturity profile of contractual cash flows of principal and interest payable under financial liabilities on an undiscounted basis. All cashflows are shown gross.

As at 31 March 2010	On demand	<1 year	1-2 years	2-3 years	3-4 years	>4 years
	£'000	£'000	£'000	£'000	£'000	£'000
Bonds	-	(20,300)	(20,300)	(20,300)	(20,300)	(330,400)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices include foreign exchange rates, interest rates, inflation (RPI), equity and commodity prices. The Company has low level exposure to market risk as 100% of cashflows are fixed; there is no foreign exchange, equity or commodity exposure.

The Company borrows in the major global debt markets at fixed rates of interest.

**Fair values**

The table below provides a comparison of the book and fair values of the Company's financial instruments by category as at the balance sheet date. Where available, market values have been used to determine fair values. Where market values are not available, fair values have been calculated by discounting cash flows at prevailing interest rates.

For cash and cash equivalents, trade and other receivables, trade and other payables and short-term loans and receivables with a maturity of less than one year the book values approximate the fair values because of their short-term nature. For non-public long term loans and receivables, fair values are estimated by discounting future contractual cash flows to net present values using current market interest rates available to the Company for similar financial instruments as at year end.

	2010 Carrying value £'000	2010 Fair value £'000
<b>Financial liabilities:</b>		
<i>Non-current liabilities:</i>		
Borrowings measured at amortised cost	(299,118)	(329,900)
	<u>(299,118)</u>	<u>(329,900)</u>

The carrying value of trade and other payables approximates to their fair value for the Company.



**NOTES TO THE ACCOUNTS**  
**For the period from 8 April 2009 to 31 March 2010**

**11. TRADE AND OTHER PAYABLES**

	<b>2010</b>
	<b>£'000</b>
Accrued interest	<b>5,682</b>
	<b>5,682</b>

**12. SHARE CAPITAL**

	<b>2010</b>
	<b>£'000</b>
<b>Authorised:</b>	
50,000 ordinary shares of £1 each	<b>50</b>
	<b>50</b>
<b>Allotted, called up and fully paid:</b>	
12,500 ordinary shares of £1 each	<b>13</b>
	<b>13</b>

On 8 April 2009 the company issued 12,500 £1 ordinary shares

**13. SHAREHOLDERS' EQUITY**

	<b>Called up share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Total £'000</b>
As at incorporation	-	-	-
Issue of share capital	13	-	13
Profit for the period	-	-	-
<b>At 31 March 2010</b>	<b>13</b>	<b>-</b>	<b>13</b>

**14. RELATED PARTY TRANSACTIONS**

Related party transactions during the period were as follows:

	<b>2010</b>
	<b>£'000</b>
Loans to parent undertaking	<b>299,118</b>
Interest due from parent undertaking	<b>5,682</b>

**15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The ultimate parent undertaking is North West Electricity Networks (Jersey) Limited, a company registered in Jersey. The external address of the ultimate parent company is: Whiteley Chambers, Don Street, St Helier, Jersey, JE4 9WG.

There are two joint ultimate controlling parties, each controlling 50% of the company's shares and voting rights. They are IIF Int'l Holding GP Limited managed by JP Morgan and Commonwealth Bank of Australia.