

**Company Registration No. 08374655**

# **NWEN FINANCE PLC**

**Half Year Condensed Financial Statements  
for the period ended 30 September 2020**

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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, with 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.

### Financial statements

The Annual Report and Consolidated Financial Statements of the Company can be found at [www.enwl.co.uk](http://www.enwl.co.uk).

### Operations

The Company acts as a financing company within the North West Electricity Networks (Jersey) Limited (“NWEN (Jersey)”) group of companies (“the Group”); it 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 Profit and Loss Account on page 4.

There have been no significant events in the 6 months ended 30 September 2020 in respect of the Company.

### Principal risks and uncertainties

As the Company’s obligations in respect of the listed debt are met via income receivable from North West Electricity (Holdings) Limited (“NWEN (Holdings)”), the parent company, the Board considers the principal risks and uncertainties facing the Company to be those that affect NWEN (H) 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 outlined in the Strategic Report of the ENWL Annual Report and Consolidated Financial Statements for the year ended 31 March 2020, which are available on the website, [www.enwl.co.uk](http://www.enwl.co.uk).

The Board considers that the principal risks and uncertainties have not changed from the last annual report. These risks include the impact from the ongoing COVID-19 pandemic. Recognising the Group’s role as an essential service provider, business operations have continued throughout the pandemic and varying lockdown restrictions both locally and nationally. However, ensuring the safety of our colleagues and customers during this period and managing business disruption continues to be managed as a significant risk, monitored by the Executive leadership and the Board.

## Interim Management Report (continued)

### Going concern

When considering whether to continue to adopt the going concern basis in preparing these condensed financial statements, 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 is ultimately a subsidiary of NWEN (Jersey), and the key trading subsidiary in the Group is ENWL. As the Company's obligations in respect of the listed debt are met via income receivable from NWEN (Holdings), the Board considers the principal risks and uncertainties facing the Company to be those that affect the larger Group.

In consideration of this, the Directors of this Company are cognisant of the going concern disclosure in the Half Year Condensed Consolidated Financial Statements of ENWL. Disclosure of the considerations made by the Directors in terms of the ENWL cash flows, liquidity position, borrowing facilities and covenant compliance can be found in the ENWL Half Year Condensed Consolidated Financial Statements available on the website, [www.enwl.co.uk](http://www.enwl.co.uk).

Also, an assessment of the significance and ongoing rapid developments of the COVID-19 impact has been undertaken and performance against this assessment is regularly reviewed and updated. The Directors have reviewed the assumptions behind demand projections, financial performance and liquidity, and assessed Group resilience to a reduction in income brought about by reduced electricity demand.

The Board has given detailed consideration to the principal risks and uncertainties affecting the Group and Company, as referred to above, and all other factors which could impact on the Group and the Company's ability to remain a going concern.

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 Half Year Condensed Financial Statements.

The going concern basis has been adopted by the Directors, with consideration of the guidance given in '*Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009*' published by the Financial Reporting Council in October 2009, together with the guidance issued in 2016.

### Ultimate parent undertaking and controlling party

The immediate parent undertaking is North West Electricity Networks (Holdings) Limited, a company incorporated and registered in the United Kingdom. The ultimate parent undertaking is NWEN (Jersey), a company incorporated and registered in Jersey. Following a staged acquisition, there was a change in ownership of the shares in NWEN (Jersey) during the prior year and, therefore a change in the ultimate controlling parties of the Company.

Following completion of the sale on 3 December 2019, the ultimate shareholdings are:

- KDM Power Limited (40.0%);
- Equitix ENW 6 Limited (25.0%);
- Equitix MA North HoldCo Limited (15.0%); and
- Swingford Holdings Corporation Limited (20.0%).

## Interim Management Report (continued)

### Directors

The names of the Directors who held office during the period and subsequently are given below. Directors served for the whole six-months, and to the date of this report, except where otherwise indicated.

### Executive Directors

- Peter Emery
- David Brocksom

### Non-executive Directors

- Sion Jones
- G Pan
- S Sumitomo
- Y Hamada (appointed 1 April 2020, resigned 25 June 2020)
- P O'Flaherty (appointed 1 April 2020)
- T Tanaka (appointed 25 June 2020)
- R Holden (appointed 7 July 2020)
- Y Yamabayashi (resigned 1 April 2020)
- Chris Dowling (4 June 2020)

### Responsibility statement

We confirm that to the best of our knowledge:

- 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;
- the interim management report includes a fair review of the information required by DTR 4.2.7R; and
- the condensed set of financial statements has been prepared in accordance with FRS104 '*Interim Financial Reporting*'.

### Registered address

NWEN Finance plc  
Borron Street  
Stockport  
Cheshire  
SK1 2JD

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



**D Brocksom**

Chief Financial Officer  
27 November 2020

**Condensed Profit and Loss Account**

For the period ended 30 September 2020

	Unaudited Period ended 30 Sept 2020	Unaudited Period ended 30 Sept 2019	Audited Year ended 31 Mar 2020
Note	£000	£000	£000
<b>Operating result</b>	-	-	-
Interest receivable from group companies	<b>5,293</b>	5,293	10,587
Interest payable on borrowings at amortised cost	<b>(5,288)</b>	(5,288)	(10,564)
<b>Profit before taxation</b>	<b>5</b>	5	23
Tax	4	(1)	(2)
<b>Profit for the period attributable to shareholders of the company</b>	<b>4</b>	4	21

All the results for the current and prior periods are derived from continuing operations.

There were no other items of comprehensive income, other than the results shown above, therefore no separate Statement of Comprehensive Income has been presented.

## Condensed Balance Sheet

As at 30 September 2020

	Note	Unaudited Period ended 30 Sept 2020 £000	Unaudited Period ended 30 Sept 2019 £000	Audited Year ended 31 Mar 2020 £000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Loans to group undertakings > 1 year	5	-	179,987	179,872
<b>Current assets</b>				
Loans to group undertakings < 1 year	5	179,871	-	-
Interest due on loans to group undertakings	5	3,144	3,005	3,138
Cash and cash equivalents		50	50	50
		<b>183,065</b>	3,055	3,188
<b>Total assets</b>		<b>183,065</b>	183,042	183,060
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accrued interest		(2,937)	(2,937)	(2,937)
Current tax liabilities		(16)	(14)	(15)
Borrowings < 1 year	6	(180,000)	-	-
		<b>(182,953)</b>	(2,951)	(2,952)
<b>Net current assets</b>		<b>112</b>	104	236
<b>Total assets less current liabilities</b>		<b>112</b>	180,091	180,108
<b>Non-current liabilities</b>				
Borrowings > 1 year	6	-	(180,000)	(180,000)
<b>Total liabilities</b>		<b>(182,953)</b>	(182,951)	(182,952)
<b>Net assets</b>		<b>112</b>	91	108
<b>CAPITAL AND RESERVES</b>				
Called up share capital		50	50	50
Profit and loss account		62	41	58
<b>Total shareholders' funds</b>		<b>112</b>	91	108

Approved by the Board of Directors on 27 November 2020 and signed on its behalf by:

  
**D Brocksom**  
 Director

## Condensed Statement of Changes in Equity

For the period ended 30 September 2020

	Called up share capital £000	Profit and loss account £000	Total equity £000
<b>At 31 March 2019 (audited)</b>	50	58	108
Profit for the period	-	4	4
<b>At 30 September 2019 (unaudited)</b>	50	41	91
<b>At 31 March 2019 (audited)</b>	50	37	87
Profit for the period	-	21	21
<b>At 31 March 2020 (audited)</b>	50	58	108
Profit for the period	-	4	4
<b>At 30 September 2020 (unaudited)</b>	50	62	112



## Notes to the Condensed Financial Statements

### 1. General Information

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

The financial information for the six-month period ended 30 September 2020 and similarly the period ended 30 September 2019 has neither been audited nor reviewed by the auditor. The financial information for the year ended 31 March 2020 has been based on information in the audited financial statements for that year.

The financial information for the year ended 31 March 2020 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 2020 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) of the Companies Act 2006.

### 2. Significant accounting policies

#### Basis of accounting

The Company has adopted Financial Reporting Standard 101 '*Reduced Disclosure Framework*' (FRS 101) on the basis that it meets the definition of a qualifying entity under FRS 100 '*Application of Financial Reporting Requirements*'. The Annual Report and Financial Statements have, therefore, been prepared in accordance with FRS 101, as issued by the Financial Reporting Council. The Half Year Condensed Financial Statements of the Company, have been prepared in accordance with FRS 104 '*Interim Financial Reporting*'.

As permitted by FRS 101 and FRS 104, for all periods presented, the Company has taken advantage of the disclosure exemptions available under FRS 101 in relation to financial instruments, capital management, presentation of cash flow statement, standards not yet effective and related party transactions with other wholly-owned members of the Group.

The results for the period ended 30 September 2020 have been prepared using the same method of computation and the same accounting policies set out in the Annual Report and Financial Statements of NWEN Finance plc for the year ended 31 March 2020.

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

The Directors have, at the time of approving the financial statements, 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 Half Year Condensed Financial Statements. Further detail is contained in the Interim Management Report.

#### Changes in accounting policy

There are no new accounting policies and Standards adopted for the six-month period ended 30 September 2020, or expected for the remainder of the year to 31 March 2021, that have a significant impact on the Company.

## Notes to the Condensed Financial Statements (continued)

### 3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; or in the period of the revision and future periods if the revision affects both current and future periods.

The Directors do not deem there to be any critical accounting judgements or key sources of estimation uncertainty that affect the Company.

### 4. Taxation

	<b>Unaudited Period ended 30 Sept 2020 £000</b>	Unaudited Period ended 30 Sept 2019 £000	Audited Year ended 31 Mar 2020 £000
<b>Corporation tax:</b>			
Current period	<b>1</b>	1	2

Corporation tax is calculated at 19% (30 Sept 2019: 19%, 31 Mar 2020: 19%) of the estimated assessable profit for the period. The rate applicable from 1 April 2020 now remains at 19%, rather than the previously enacted reduction to 17%. This was substantively enacted on 17 March 2020. There is no deferred tax in any period.

**5. Loans to group undertakings**

	<b>Unaudited Period ended 30 Sept 2020 £000</b>	Unaudited Period ended 30 Sept 2019 £000	Audited Year ended 31 Mar 2020 £000
<b>Non-current</b>			
Loans to group undertakings > 1 year	-	180,000	180,000
Impairment of loan	-	(13)	(128)
<b>Loan on Group undertakings &gt; 1 year</b>	<b>-</b>	<b>179,987</b>	<b>179,872</b>
<b>Current</b>			
Loans to group undertakings < 1 year	<b>180,000</b>	-	-
Impairment of loan	<b>(129)</b>	-	-
<b>Loan on Group undertakings &lt; 1 year</b>	<b>179,871</b>	<b>-</b>	<b>-</b>
<b>Interest due on loan to Group undertaking</b>	<b>3,194</b>	<b>3,005</b>	<b>3,138</b>

On 21 March 2013 the Company lent NWEN (Holdings) proceeds of £180.0m in relation to the debt issue of £180.0m at 5.875% fixed rate due in 2021, on terms aligned to the terms of the external debt (see Note 6).

**6. Borrowings**

	<b>Unaudited Period ended 30 Sept 2020 £000</b>	Unaudited Period ended 30 Sept 2019 £000	Audited Year ended 31 Mar 2020 £000
<b>Non-current</b>			
Bonds held at amortised cost	-	180,000	180,000
<b>Current</b>			
Bonds held at amortised cost	<b>180,000</b>	-	-

As at 30 Sept 2020 the Company had a £180m 5.875% fixed rate bond in issue, maturing in 2021 and guaranteed by NWEN (Holdings) (30 Sept 2019: same, 31 Mar 2020: same).