

NWEN Finance Plc (the “Company”) is pleased to announce its Half Year Financial Report for the period ended 30 September 2017.

The Half Year Report is available to view on the Company’s website:

<https://www.enwl.co.uk/about-us/news/stock-exchange-announcements>.

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

Company Registration No. 08374655

NWEN FINANCE PLC

**Half Year Condensed Financial Statements
for the period ended 30 September 2017**

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Interim Management Report

Cautionary statement

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

Directors

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

Peter Emery
David Brocksom
Chris Dowling
John Lynch
Niall Mills

Operations

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

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

Results

The results for the period are included in the Condensed Profit and Loss Account on page 3.

There have been no significant events in the 6 months ended 30 September 2017 in respect of the Company.

Principal risks and uncertainties

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

The principal trade and activities of the Group are carried out in Electricity North West Limited ('ENWL') and a comprehensive review of the strategy and operating model, the regulatory environment, the resources and principal risks and uncertainties facing that Company, and ultimately the Group, are discussed in the ENWL Annual Report and Consolidated Financial Statements for the year ended 31 March 2017.

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

Going concern

After making enquiries, and based on the assumptions, sensitivities and uncertainties outlined in the accounting policies on pages 6 and 7, the Directors have concluded that the Company has adequate resources to continue in operational existence for the foreseeable future.

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

Interim Management Report *(continued)*

Responsibility statement

We confirm that to the best of our knowledge:

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

Registered address

NWEN Finance plc
304 Bridgewater Place
Birchwood Park
Warrington
WA3 6XG

Registered number: 08374655

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

D Brocksom

Chief Financial Officer
22 November 2017

Condensed Profit and Loss Account

For the period ended 30 September 2017

	Note	Unaudited Period ended 30 September 2017 £000	Unaudited Period ended 30 September 2016 £000	Audited Year ended 31 March 2017 £000
Operating profit		-	-	-
Interest receivable and similar income	3	5,293	5,293	10,587
Interest payable and similar charges	4	(5,288)	(5,288)	(10,577)
Profit on ordinary activities before taxation		5	5	10
Taxation	5	(1)	(1)	(2)
Profit for the financial period/year		4	4	8

All the results shown in the Condensed Profit and Loss Account, for each period derive, from continuing operations.

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

Condensed Balance Sheet

as at 30 September 2017

	Note	Unaudited Period ended 30 September 2017 £000	Unaudited Period ended 30 September 2016 £000	Audited Year ended 31 March 2017 £000
ASSETS				
Fixed assets				
Loan to parent undertaking	6	180,000	180,000	180,000
Current assets				
Amounts owed by parent undertaking	7	2,985	2,975	2,980
Cash at bank and in hand		50	50	50
		3,035	3,025	3,030
Total assets		183,035	183,025	183,030
LIABILITIES				
Current liabilities				
Creditors: amounts falling due within one year	8	(2,947)	(2,945)	(2,946)
Net current assets		88	80	84
Total assets less current liabilities		180,088	180,080	180,084
Non-current liabilities				
Borrowings	9	(180,000)	(180,000)	(180,000)
Total liabilities		(182,947)	(182,945)	(182,946)
Net assets		88	80	84
CAPITAL AND RESERVES				
Called up share capital		50	50	50
Profit and loss account		38	30	34
Total shareholders' funds		88	80	84

The half year condensed financial statements of NWEN Finance plc (registered number 08374655) were approved and authorised for issue by the Board of Directors on 22 November 2017 and signed on its behalf by:

D Brocksom

Director

Condensed Statement of Changes in Equity

For the period ended 30 September 2017

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 April 2016	50	26	76
Profit for the financial period	-	4	4
	<hr/>	<hr/>	<hr/>
At 30 September 2016 (unaudited)	50	30	80
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 1 April 2016	50	26	76
Profit for the financial year	-	8	8
	<hr/>	<hr/>	<hr/>
At 31 March 2017 (audited)	50	34	84
Profit for the financial period	-	4	4
	<hr/>	<hr/>	<hr/>
At 30 September 2017 (unaudited)	50	38	88
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes to the Half Year Condensed Financial Statements

1 General information

The financial information for the 6 month period ended 30 September 2017 and similarly the period ended 30 September 2016 has neither been audited nor reviewed by the auditor. The financial information for the year ended 31 March 2017 has been based on information in the audited financial statements for that year.

The financial information for the year ended 31 March 2017 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 2017 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.

2 Significant accounting policies

Basis of preparation

The Company has adopted Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"), on the basis that it meets the definition of qualifying entity under Financial Reporting Standard 100 'Application of Financial Reporting Requirements' ("FRS 100"). 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.

Where relevant, equivalent disclosures are given in the consolidated financial statements of North West Electricity Networks plc, the Company's immediate parent; the consolidated financial statements of North West Electricity Networks plc are available to the public and are available on the website www.enwl.co.uk.

The results for the period ended 30 September 2017 have been prepared using the same methods of computation and on the basis of accounting policies consistent with those set out in the Annual Report and Financial Statements of NWEN Finance plc for the year ended 31 March 2017.

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

Going concern

When considering continuing to adopt the going concern basis in preparing the Half Year Condensed Financial Statements for the six months ended 30 September 2017, 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 North West Electricity Networks (Jersey) Limited, 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 North West Electricity Networks (Holdings) Ltd, 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 which appears in the Half Year Condensed Consolidated Financial Statements of both ENWL and North West Electricity Networks Plc. Disclosure of the considerations made by the Directors in terms of the North West Electricity Networks Plc group and company cash flows, liquidity position, borrowing facilities and covenant compliance can be found in the North West Electricity Networks Plc Half Year Condensed Consolidated Financial Statements.

Notes to the Half Year Condensed Financial Statements *(continued)*

2 Significant accounting policies *(continued)*

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.

Changes in accounting policy

There are no accounting policies and standards adopted for the six month period ended 30 September 2017, or for the remainder of the year to 31 March 2018, that have a significant impact on the Company.

3 Interest receivable and similar income

	Unaudited Period ended 30 September 2017 £000	Unaudited Period ended 30 September 2016 £000	Audited Year ended 31 March 2017 £000
Interest receivable from Group companies	<u>5,293</u>	<u>5,293</u>	<u>10,587</u>

4 Interest payable and similar charges

	Unaudited Period ended 30 September 2017 £000	Unaudited Period ended 30 September 2016 £000	Audited Year ended 31 March 2017 £000
Interest payable on borrowings held at amortised cost	<u>5,288</u>	<u>5,288</u>	<u>10,577</u>

5 Taxation

	Unaudited Period ended 30 September 2017 £000	Unaudited Period ended 30 September 2016 £000	Audited Year ended 31 March 2017 £000
Current tax:			
UK corporation tax	<u>1</u>	<u>1</u>	<u>2</u>

Corporation tax is calculated at 19%, (period ended 30 September 2016: 20%, year ended 31 March 2017: 20%) being the best estimate of the effective tax rate for the full financial year.

The rate will change to 17% on 1 April 2020. There is no deferred tax in any period.

Notes to the Half Year Condensed Financial Statements *(continued)*

6 Loan to the parent undertaking

	Unaudited Period ended 30 September 2017 £000	Unaudited Period ended 30 September 2016 £000	Audited Year ended 31 March 2017 £000
Loan to parent undertaking	180,000	180,000	180,000

On 21 March 2013 the Company loaned North West Electricity Networks (Holdings) Limited (the "Parent Company") proceeds of £180.0m in relation to the bond issue of £180.0m at 5.875% fixed rate due 2021, on terms aligned to the terms of the external bond (see Note 9).

7 Amounts owed by parent undertaking

	Unaudited Period ended 30 September 2017 £000	Unaudited Period ended 30 September 2016 £000	Audited Year ended 31 March 2017 £000
Amounts owed by parent undertaking	2,985	2,975	2,980

The amount due in less than one year is interest relating to the loan to parent undertaking (Note 6).

8 Creditors: amounts falling due within one year

	Unaudited Period ended 30 September 2017 £000	Unaudited Period ended 30 September 2016 £000	Audited Year ended 31 March 2017 £000
Accrued interest	2,937	2,938	2,937
Amounts due to Group undertakings	10	7	9
	2,947	2,945	2,946

9 Borrowings

	Unaudited Period ended 30 September 2017 £000	Unaudited Period ended 30 September 2016 £000	Audited Year ended 31 March 2017 £000
Bonds measured at amortised cost	180,000	180,000	180,000

The Company has £180.0m 5.875% fixed rate bonds due 2021, guaranteed by North West Electricity Networks (Holdings) Limited.