

**NORTHERN POWERGRID HOLDINGS COMPANY**  
**HALF-YEARLY FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2021**

## INTERIM MANAGEMENT REPORT

### Cautionary Statement

This interim management report has been prepared solely to provide additional information to shareholders to assess the business and strategies of Northern Powergrid Holdings Company (the “Company”) and its subsidiaries (together the “Group”) and should not be relied on by any other party or for any other purpose.

### Business Model

The Company’s main subsidiary companies are Northern Powergrid (Northeast) plc and Northern Powergrid (Yorkshire) plc (together “Northern Powergrid”), Integrated Utility Services Limited (“IUS”), CalEnergy Resources Limited (“CE Resources”) and Northern Powergrid Metering Limited (“Metering”).

Northern Powergrid (Northeast) plc and Northern Powergrid (Yorkshire) plc are distribution network operators (“DNOs”) and distribute electricity to approximately 3.9 million customers connected to their electricity distribution networks, IUS provides engineering contracting services, CE Resources holds interests in hydrocarbon permits in Australia, Poland and the United Kingdom and Metering rents meters to energy suppliers.

### Results for the six months ended 30 June 2021

The Group delivered a satisfactory performance for the six months ended 30 June 2021, profit after tax decreased by £31.9 million when compared to the six months ended 30 June 2020 mainly as a result of the impact of change in tax legislation and higher operating expenses, partially offset by increased revenues.

### Revenue

Revenue at £446.9 million was £31.8 million higher than for the six months ended 30 June 2020 mainly due to higher distribution revenue due to higher tariffs and the larger impact of COVID-19 during last year’s period as well as increased contracting revenues within IUS.

### Cash flow

Cash and cash equivalents as at 30 June 2021 were £12.3 million, representing a decrease of £44.9 million when compared with the position at 31 December 2020. This compares with an increase of £11.9 million in the comparative six month period, primarily due to higher capital expenditure and adverse financing movements partially offset by increased operating cash flows.

The Group has access to £150.0 million under a three-year committed revolving credit facility provided by Lloyds Bank plc, National Westminster Bank plc and Santander UK plc, which is due to expire in October 2022, with two one year extension options.

In addition, the Group has access to short-term borrowing facilities provided by Yorkshire Electricity Group plc, a related party, and to a £42.0 million overdraft facility provided by Lloyds Bank plc.

### Dividends

No dividends were paid during the period resulting in £42.0 million being transferred to reserves.

### Related party transactions

Details of the related party transactions entered into by companies in the Group and changes therein are included in Note 9 to this half-yearly financial report.

### **Principal risks and uncertainties**

Information on the principal long-term risks and uncertainties and the internal control system are included in the Group's latest annual reports and accounts for the year to 31 December 2020, which is available at [www.northernpowergrid.com](http://www.northernpowergrid.com).

It is anticipated that these risks will continue to be the principal risks facing the business for the remaining six months of 2021.

### **Going concern**

In the Group's latest annual reports and accounts for the year to 31 December 2020 the directors set out a number of factors they took into account when they considered continuing to adopt the going concern basis in preparing those annual reports and accounts. The directors confirm that no events have occurred during the six months to 30 June 2021, which alter the view expressed in the annual reports and accounts to 31 December 2020.

### **Future strategy and objectives**

The Company will continue to develop its business as a holding company in a manner that concentrates on the Group's principal activities of electricity distribution, engineering contracting, hydrocarbon exploration and the rental of meters to energy suppliers.

### **Responsibility Statement**

The board of directors confirm that to the best of their knowledge:

- (a) the condensed set of financial statements, which has been prepared in accordance with IAS 34, gives a true and fair view of the assets, liabilities, financial position and profit of the Company and the undertakings included in the consolidation as a whole for the six months to 30 June 2021; and
- (b) the interim management report contains a fair review of the important events that have occurred during the first six months of the year and their impact, if any, on the condensed set of financial statements and a description of the principal risks and uncertainties for the remaining six months of the year.

By order of the board



T H France  
Director

16 September 2021

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS - SIX MONTHS  
ENDED 30 JUNE 2021**

	6 Months ended 30 June 2021 Unaudited £m	6 Months ended 30 June 2020 Unaudited £m
Revenue	446.9	415.1
Cost of sales	<u>(21.2)</u>	<u>(23.0)</u>
<b>Gross profit</b>	<b>425.7</b>	<b>392.1</b>
Operating expenses	<u>(227.9)</u>	<u>(217.6)</u>
<b>Operating profit</b>	<b>197.8</b>	<b>174.5</b>
Other gains	0.3	(0.1)
Finance income	0.9	0.5
Finance costs	<u>(44.8)</u>	<u>(49.3)</u>
<b>Profit before tax</b>	<b>154.2</b>	<b>125.6</b>
Income tax expense	<u>(112.2)</u>	<u>(51.7)</u>
<b>Profit from ordinary activities after tax</b>	<b><u>42.0</u></b>	<b><u>73.9</u></b>
Owners of the parent	41.6	73.1
Non-controlling interests	<u>0.4</u>	<u>0.8</u>
	<b><u>42.0</u></b>	<b><u>73.9</u></b>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS - SIX MONTHS  
ENDED 30 JUNE 2021**

	6 Months ended 30 June 2021 Unaudited £m	6 Months ended 30 June 2020 Unaudited £m
<b>PROFIT FOR THE PERIOD</b>	<b>42.0</b>	<b>73.9</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
<b>Items that will not be reclassified subsequently to profit or loss:</b>		
Employee benefit obligation	28.9	26.7
Income tax relating to items of other comprehensive income	(5.5)	(5.1)
	<u>23.4</u>	<u>21.6</u>
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Exchange difference on translation of foreign operations	(0.3)	1.0
Cash flow hedge	1.8	(2.9)
Income tax relating to items of other comprehensive income	(0.2)	0.5
	<u>1.3</u>	<u>(1.4)</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>	<u><b>24.7</b></u>	<u><b>20.2</b></u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u><b>66.7</b></u>	<u><b>94.1</b></u>
Owners of the parent	66.3	93.3
Non-controlling interests	<u>0.4</u>	<u>0.8</u>
	<u><b>66.7</b></u>	<u><b>94.1</b></u>

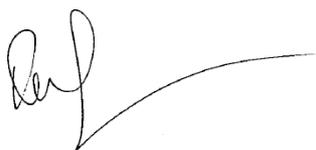
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - SIX MONTHS ENDED 30 JUNE 2021**

	30 June 2021	31 December 2020
	Unaudited £m	£m
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Goodwill	248.8	248.8
Intangible assets	51.5	51.9
Property, plant and equipment	6,874.8	6,698.7
Right of use assets	25.0	23.7
Investments	4.1	3.6
Pension asset	124.8	88.1
Tax asset	0.4	0.3
Trade and other receivables	3.9	4.6
	<u>7,333.3</u>	<u>7,119.7</u>
<b>CURRENT ASSETS</b>		
Inventories	19.8	19.3
Trade and other receivables	133.8	151.5
Contract assets	7.2	6.2
Tax receivables	-	0.3
Cash and cash equivalents	12.3	57.2
Restricted cash	16.8	16.8
	<u>189.9</u>	<u>251.3</u>
<b>TOTAL ASSETS</b>	<b><u>7,523.2</u></b>	<b><u>7,371.0</u></b>
<b>EQUITY</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	354.6	354.6
Share premium account	(0.8)	(0.8)
Hedging reserves	(1.5)	(3.1)
Foreign exchange reserves	(1.1)	(0.8)
Retained earnings	2,556.6	2,491.6
	<u>2,907.8</u>	<u>2,841.5</u>
Non Controlling Interest	37.9	37.5
<b>TOTAL EQUITY</b>	<b><u>2,945.7</u></b>	<b><u>2,879.0</u></b>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - SIX MONTHS ENDED 30 JUNE 2021**

	30 June 2021	31 December 2020
	Unaudited £m	£m
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Deferred revenue	1,475.3	1,468.6
Borrowings	2,370.2	2,384.2
Lease liabilities	19.5	18.6
Deferred tax	328.2	239.7
Derivative liability	1.7	3.2
Trade and other payables	-	-
Provisions	11.4	10.5
	<u>4,206.3</u>	<u>4,124.8</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	209.8	213.3
Deferred revenue	65.5	64.7
Borrowings	85.7	80.2
Lease liabilities	6.0	5.5
Derivative liability	0.3	0.6
Tax payable	0.7	-
Provisions	3.2	2.9
	<u>371.2</u>	<u>367.2</u>
<b>TOTAL LIABILITIES</b>	<u><b>4,577.5</b></u>	<u><b>4,492.0</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>7,523.2</b></u>	<u><b>7,371.0</b></u>

The interim financial statements were approved by the board of directors and authorised for issue on 16 September 2021 and were signed on its behalf by:



T H France  
Director

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - SIX MONTHS ENDED 30 JUNE 2021**

	Share Capital £m	Share Premium Account £m	Other Reserves £m	Retained Earnings £m	<b>Total £m</b>
<b>Balance at 1 January 2021</b>	<b>354.6</b>	<b>(0.8)</b>	<b>(3.9)</b>	<b>2,491.6</b>	<b>2,841.5</b>
Profit for the period (unaudited)	-	-	-	41.6	41.6
Other comprehensive income (unaudited)	-	-	1.6	23.4	25.0
Foreign exchange translation adjustment	-	-	(0.3)	-	(0.3)
<b>Balance at 30 June 2021</b>	<b>354.6</b>	<b>(0.8)</b>	<b>(2.6)</b>	<b>2,556.6</b>	<b>2,907.8</b>

	Non- Controlling Interests £m	<b>Total Equity £m</b>
<b>Balance at 1 January 2021</b>	<b>37.5</b>	<b>2,879.0</b>
Profit for the period (unaudited)	0.4	42.0
Other comprehensive income (unaudited)	-	25.0
Foreign exchange translation adjustment	-	(0.3)
<b>Balance at 30 June 2021</b>	<b>37.9</b>	<b>2,945.7</b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - SIX MONTHS ENDED 30 JUNE 2021 (CONTINUED)**

	Share Capital £m	Share Premium Account £m	Other Reserves £m	Retained Earnings £m	<b>Total £m</b>
<b>Balance at 1 January 2020</b>	<b>354.6</b>	<b>(0.8)</b>	<b>(2.7)</b>	<b>2,361.5</b>	<b>2,712.6</b>
Profit for the period (unaudited)	-	-	-	73.1	73.1
Other comprehensive income (unaudited)	-	-	(2.4)	21.6	19.2
Foregin exchange translation adjustment			1.0	-	1.0
<b>Balance at 30 June 2020</b>	<b>354.6</b>	<b>(0.8)</b>	<b>(4.1)</b>	<b>2,456.2</b>	<b>2,805.9</b>

	Non- Controlling Interests £m	<b>Total Equity £m</b>
<b>Balance at 1 January 2020</b>	<b>36.5</b>	<b>2,749.1</b>
Profit for the period (unaudited)	0.8	73.9
Other comprehensive income (unaudited)	-	19.2
D	-	1.0
<b>Balance at 30 June 2020</b>	<b>37.3</b>	<b>2,843.2</b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - SIX MONTHS ENDED 30 JUNE 2021 (CONTINUED)**

	Share Capital £m	Share Premium Account £m	Other Reserves £m	Retained Earnings £m	<b>Total £m</b>
<b>Balance at 1 January 2020</b>	<b>354.6</b>	<b>(0.8)</b>	<b>(2.7)</b>	<b>2,361.5</b>	<b>2,712.6</b>
Profit for the year	-	-	-	158.4	<b>158.4</b>
Other comprehensive income	-	-	(1.2)	(28.3)	<b>(29.5)</b>
Dividends paid	-	-	-	-	-
Equity dividends paid	-	-	-	-	-
Foreign exchange translation adjustment	-	-	-	-	-
<b>Balance at 31 December 2020</b>	<b>354.6</b>	<b>(0.8)</b>	<b>(3.9)</b>	<b>2,491.6</b>	<b>2,841.5</b>

	Non- Controlling Interests £m	<b>Total Equity £m</b>
<b>Balance at 1 January 2020</b>	<b>36.5</b>	<b>2,749.1</b>
Profit for the year	1.6	<b>160.0</b>
Other comprehensive income	-	<b>(29.5)</b>
Equity dividends paid	(0.6)	<b>(0.6)</b>
Foreign exchange translation adjustment	-	-
<b>Balance at 31 December 2020</b>	<b>37.5</b>	<b>2,879.0</b>

## CONSOLIDATED CASH FLOW STATEMENT

	6 Months ended 30 June 2021	6 Months ended 30 June 2020
	Unaudited	Unaudited (restated)
	£m	£m
<b>Cash flows from operating activities</b>		
Profit for the year	42.0	73.9
Depreciation and amortisation	138.2	130.1
Amortisation of deferred revenue	(32.1)	(30.8)
(Profit)/loss on disposal of property, plant & equipment	(0.3)	0.1
Retirement benefit obligation	(7.7)	(15.3)
Finance income	(0.9)	(0.5)
Finance costs	44.8	49.3
Income tax expense	112.2	51.7
	296.2	258.5
(Increase)/decrease in inventories	(0.5)	1.0
Decrease in trade and other receivables	16.4	21.7
(Increase)/decrease in contract assets	(1.0)	2.9
(Decrease)/increase in trade and other payables	(7.5)	22.8
Decrease in provisions	(1.2)	(0.2)
	302.4	306.7
Cash inflow from operating activities	302.4	306.7
Net interest paid	(31.7)	(48.1)
Tax paid	(28.4)	(47.0)
	242.3	211.6
<b>Investing activities</b>		
Proceeds from disposal of property, plant and equipment	0.3	(0.1)
Purchase of property, plant and equipment	(301.1)	(262.4)
Purchase of intangible assets	(4.7)	(5.1)
Investment in associate	(1.4)	(1.4)
Receipt of customer contributions	43.8	31.0
	(263.1)	(238.0)
<b>Financing activities</b>		
Issue of long-term borrowings	-	294.4
Repayment of long-term borrowings	(14.5)	(253.8)
Movement of short-term borrowings	(6.2)	-
Lease payment	(3.4)	(2.3)
	(24.1)	38.3
<b>Net cash (used in)/generated from financing activities</b>	<b>(24.1)</b>	<b>38.3</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(44.9)</b>	<b>11.9</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>57.2</b>	<b>245.1</b>
<b>Cash and cash equivalents at end of period</b>	<b>12.3</b>	<b>257.0</b>

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

The information included within these condensed financial statements for the year ended 31 December 2020 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor reported on those accounts and that report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

### 2. ACCOUNTING POLICIES

#### **Basis of preparation**

The annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards as adopted by the International Accounting Standards Board (“IASB”). The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, ‘Interim Financial Reporting’, as adopted by the IASB.

#### **Going concern**

In the Group’s latest annual reports and accounts for the year to 31 December 2020 the directors set out a number of factors they took into account when they considered continuing to adopt the going concern basis in preparing those annual reports and accounts. The directors confirm that no events have occurred during the six months to 30 June 2021, which alter the view expressed in the annual reports and accounts to 31 December 2020.

#### **Changes in accounting policy**

The Company’s accounting policies and methods of computation are the same as the accounting policies which are described in the Company’s financial statements for the year ended 31 December 2020, with the only changes being outlined below.

#### **Application of new and revised IFRS**

In the current year, the company has a number of amendments to IFRS by the IASB that are mandatorily effective for an accounting period that begins on or after 1 January 2021:

None of the standards, interpretations and amendments which are effective for periods beginning 1 January 2021 has had a material effect on the financial statements:

- Amendments to IFRS 16- COVID 19 related rent concessions;
- Amendments to IAS 1 – Presentation of financial statements; and
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest rate benchmark reform.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

### 3. SEGMENTAL ANALYSIS

The Group operates in the principal area of activity of the distribution of electricity in the United Kingdom.

There has been no change in the basis of segmentation or in the basis of measurement of segment profit or loss in the period.

The following is an analysis of the Group's revenue and results by reportable segment in the six months ended 30 June 2021 (unaudited):

	Distribution £m	Other £m	Total £m
<b>REVENUE</b>			
External sales	417.6	29.3	446.9
Inter-segment sales	0.6	(0.6)	-
Total Revenue	<u>418.2</u>	<u>28.7</u>	<u>446.9</u>
<b>SEGMENT RESULTS</b>			
Operating profit	<u>180.8</u>	<u>17.0</u>	197.8
Other gains			0.3
Finance income			0.9
Finance costs			<u>(44.8)</u>
Profit before tax			<u>154.2</u>
<b>OTHER INFORMATION</b>			
Capital additions	230.8	80.5	311.3
Depreciation and amortisation	114.9	23.3	138.2
Amortisation of deferred revenue	<u>(32.1)</u>	<u>-</u>	<u>(32.1)</u>

External sales to E.ON plc in the six months ended 30 June 2021 represented 21.51% of revenue within the Distribution segment.

External sales to British Gas Ltd in the six months ended 30 June 2021 represented 11.91% of revenue within the Distribution segment.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

### 3. SEGMENTAL ANALYSIS (CONTINUED)

The following is an analysis of the Group's revenue and results by reportable segment in the six months ended 30 June 2020 (unaudited):

	Distribution £m	Other £m	Total £m
<b>REVENUE</b>			
External sales	355.9	59.2	415.1
Inter-segment sales	0.5	(0.5)	-
Total Revenue	<u>356.4</u>	<u>58.7</u>	<u>415.1</u>
<b>SEGMENT RESULTS</b>			
Operating profit	<u>148.7</u>	<u>25.8</u>	174.5
Other losses			(0.1)
Finance income			0.5
Finance costs			<u>(49.3)</u>
Profit before tax			<u>125.6</u>
<b>OTHER INFORMATION</b>			
Capital additions	247.1	20.4	267.5
Depreciation and amortisation	106.8	23.3	130.1
Amortisation of deferred revenue	<u>(30.8)</u>	<u>-</u>	<u>(30.8)</u>

External sales to RWE Npower plc in the six months ended 30 June 2020 represented 15.8% of revenue within the Distribution segment.

External sales to British Gas Ltd in the six months ended 30 June 2020 represented 12.1% of revenue within the Distribution segment.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

### 3. SEGMENTAL ANALYSIS (CONTINUED)

The accounting policies of the reportable segments are the same as the Group's accounting policies which are described in the Group's latest annual financial statements. The segment results represent the profit earned by each segment without allocation of the share of profits of joint ventures, associates, finance income and finance costs and income tax expense

<b>Segment net assets</b>	30 June 2021 Unaudited £m	31 December 2020 £m
Distribution	4,859.2	4,657.5
Other	<u>665.2</u>	<u>642.6</u>
Total net assets by segment	5,524.4	5,300.1
Unallocated net corporate liabilities	<u>(2,578.7)</u>	<u>(2,421.1)</u>
Total net assets	<u>2,945.7</u>	<u>2,879.0</u>

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

### 4. INCOME TAX EXPENSE

Tax for the six month period ended 30 June 2021 is charged at 18.6% (six months ended 30 June 2020: 19.7%), which represents the best estimate of the average annual effective tax rate expected for the full year, as applied to the pre-tax income of the six month period. However, due to the tax rate change discussed below, the effective tax rate for the six month period to June 2021 is 72.8%.

	6 months ended 30 June 2021 Unaudited £m	6 months ended 30 June 2020 Unaudited £m
Current tax	29.4	22.1
Deferred tax	<u>82.7</u>	<u>29.6</u>
Total income tax expense	<u>112.2</u>	<u>51.7</u>

Finance Bill 2020 was enacted in July 2020 and as a result, the rate of corporation tax has been held at 19% as the Finance Bill 2020 effectively removed the proposed reduction to 17% which was included within Finance Bill 2016.

In addition, the March 2021 Budget announced that the corporation tax rate will increase from 19% to 25% from 1 April 2023. This increase in tax rate was included within Finance Bill 2021 which was substantively enacted on 24 May 2021 and received Royal Assent on 10 June 2021. As a result, deferred tax balances have been re-measured at the 25% rate and this remeasurement has given rise to an increased deferred tax liability of £83.5m which is reflected within the above tax charge.

### 5. DIVIDENDS

No dividends were distributed to the shareholders in the six month period ended 30 June 2021 (six months ended 30 June 2020: £nil)

### 6. RETIREMENT BENEFIT SCHEMES

The defined benefit obligation as at 30 June 2021 is calculated on a year-to-date basis, using the annual actuarial valuation as at 31 December 2020. The latest triennial valuation carried out by AON was on the 31 March 2019 and was concluded in 2020. There have not been any significant fluctuations or one-time events since that time that would require adjustment to the actuarial assumptions made at June 2021.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

### 7. FINANCIAL INSTRUMENTS

Except as detailed in the following table, the directors consider that the carrying value amounts of financial assets and financial liabilities are approximately equal to their fair values:

	Carrying value		Fair value	
	30 June 2021 Unaudited £m	31 December 2020 £m	30 June 2021 Unaudited £m	31 December 2020 £m
<b>Financial liabilities</b>				
Short-term loans	10.5	0.3	10.5	0.3
Bank overdraft	-	16.5	-	16.5
Bond 2022 – 7.25% (Northern Powergrid Holdings Company)	206.6	199.0	227.0	226.7
Bond 2025 – 2.5% (Northern Powergrid (Yorkshire) plc)	149.8	151.6	159.2	164.2
Amortised loan 2026 – 2.9670%* (Northern Powergrid Metering Ltd)	122.3	133.9	123.7	135.3
Amortised loan 2026 – 2.078%** (Northern Powergrid Metering Ltd)	27.2	29.7	27.3	30.0
Bond 2028 – 7.25% (Yorkshire Power Finance Limited)	200.4	193.8	267.1	271.3
Bond 2032 4.375% (Northern Powergrid (Yorkshire) plc)	154.4	151.1	193.0	202.9
Bond 2035 – 5.125% (Northern Electric Finance plc)	149.3	153.3	204.3	225.3
Bond 2035 – 5.125% (Northern Powergrid (Yorkshire) plc)	199.1	204.4	272.4	299.4
Bond 2049 – 2.750% (Northern Electric Finance plc)	147.9	150.0	171.9	194.1
Bond 2059 – 2.250% (Northern Powergrid (Yorkshire) plc)	298.6	295.2	318.0	367.7
Bond 2062 – 1.875% (Northern Powergrid (Northeast) plc)	294.7	297.5	283.0	338.4
EIB loans 2022 – 4.133%	156.9	153.8	162.2	162.0
EIB loans 2027 – 2.564%	253.5	250.3	274.0	280.1
EIB loans 2025 – 2.073%	50.6	50.1	52.9	53.5
Cumulative preference shares	34.1	34.1	55.9	59.3
	<u>2,455.9</u>	<u>2,464.6</u>	<u>2,802.4</u>	<u>3,027.0</u>

\*2026 £124m Amortising Loan is 90% swapped at a fixed rate of 3.0682%, with the remaining 10% floating at 3 month LIBOR plus 2.00%.

\*\*2026 £ 27m Amortising Loan is a Floating rate loan at 3 month LIBOR plus 2.00%.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

### 8. RELATED PARTY TRANSACTIONS

#### Group

Transactions entered into with related parties and balances outstanding were as follows:

	Sales to related parties £m	Purchases from related parties £m	Amounts owed to related parties £m	Dividends from/(to) related parties £m
<b>Related party</b>				
<i>Six months ended 30 June</i>				
<i>2021:</i>				
Immediate Parent Companies*	-	-	16.4	-
Vehicle Lease and Service Limited	-	6.5	0.1	-
	<u>-</u>	<u>6.5</u>	<u>16.5</u>	<u>-</u>
 <i>Six months ended 30 June</i>				
<i>2020:</i>				
Immediate Parent Companies*	-	-	14.9	-
Vehicle Lease and Service Limited	-	6.2	0.2	-
	<u>-</u>	<u>6.2</u>	<u>15.1</u>	<u>-</u>
 <i>Year ended 31 December</i>				
<i>2020:</i>				
Immediate Parent Companies*	-	-	18.9	-
Vehicle Lease and Service Limited	-	9.6	0.2	-
	<u>-</u>	<u>9.6</u>	<u>19.1</u>	<u>-</u>

Sales and purchases from related parties were made at commercial prices.

Interest on loans from Group companies is charged at a commercial rate.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

### 8. RELATED PARTY TRANSACTIONS (CONTINUED)

#### Company

Transactions entered into with related parties and balances outstanding were as follows:

<b>Related party</b>	Amounts owed from/(to) related parties £m	Interest from/(to) related parties £m	Dividends from/(to) related parties £m
<i>Six months ended 30 June 2021:</i>			
Immediate Parent Companies*	(14.1)	-	-
Northern Powergrid (Northeast) plc	112.0	2.9	-
CalEnergy Resources Limited	213.9	3.5	-
Yorkshire Electricity Group plc	72.0	1.0	-
	<u>243.3</u>	<u>4.0</u>	<u>-</u>
<i>Six months ended 30 June 2020:</i>			
Immediate Parent Companies*	(13.2)	-	-
Northern Powergrid (Northeast) plc	103.2	2.9	-
CalEnergy Resources Limited	95.6	1.6	-
Yorkshire Electricity Group plc	153.3	1.1	-
	<u>338.9</u>	<u>5.6</u>	<u>-</u>
<i>Year ended 31 December 2020:</i>			
Immediate Parent Companies*	(16.6)	-	-
Northern Powergrid UK Holdings	-	-	64.6
Northern Powergrid (Northeast) plc	100.0	5.9	-
CalEnergy Resources Limited	156.8	4.2	-
Yorkshire Electricity Group plc	127.8	2.1	-
	<u>368.0</u>	<u>12.2</u>	<u>64.6</u>

\* Immediate parent companies are BHE U.K. Electric, Inc., (35%), BHE U.K. Power, Inc. (35%) and BHE U.K. Inc. (30%).

Interest on loans to/from Group companies is charged at a commercial rate.