

NORTHERN POWERGRID HOLDINGS COMPANY

HALF-YEARLY FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2023

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 and renewables in Australia, Poland and the United Kingdom and Metering rents meters to energy suppliers.

Results for the six months ended 30 June 2023

During the period ended 30 June 2023, the Group made a profit after tax of £154.0 million; this was £21.6 million higher than the 6 months ended 30 June 2022 and was mainly as a result of lower tax charges including the impact of the deferred Energy Profits Levy.

Revenue

Revenue at £561.9 million was £19.4 million higher than for the six months ended 30 June 2022 mainly due to higher distribution revenue due to higher tariffs and the recovery of amounts paid under the supplier of last resort process as well as increased metering revenues and revenue generated from the two solar farms acquired in June 2022.

Cash flow

Cash and cash equivalents as at 30 June 2023 were £20.3 million, representing an decrease of £10.7 million when compared with the position at 31 December 2022. This compares with a increase of £239.9 million in the comparative six month period, primarily due to lower financing undertaken in the current period with a new bond issued in April 2022.

The Group has access to a £200 million revolving credit facility provided by Barclays Bank plc, Lloyds Bank plc, HSBC UK Bank plc and Royal Bank of Canada. The facility was executed in December 2021 for a period of three years expiring in 2024, with two 1 year extension options, the first of which was exercised in 2022.

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 £154.0 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 8 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 2022, which is available at 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 2023.

Going concern

In the Group's latest annual reports and accounts for the year to 31 December 2022 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 2023, which alter the view expressed in the annual reports and accounts to 31 December 2022.

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 2023; 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



A P Jones
Director

14 September 2023

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS - SIX MONTHS
ENDED 30 JUNE 2023**

	6 Months ended 30 June 2023 Unaudited £m	6 Months ended 30 June 2022 Unaudited £m
Revenue	561.9	542.5
Cost of sales	<u>(85.3)</u>	<u>(61.1)</u>
Gross profit	476.6	481.4
Operating expenses	<u>(266.6)</u>	<u>(268.6)</u>
Operating profit	210.0	212.8
Other gains	0.1	0.3
Finance income	0.9	0.9
Finance costs	<u>(49.0)</u>	<u>(49.2)</u>
Profit before tax	162.0	164.8
Income tax expense	<u>(8.0)</u>	<u>(32.4)</u>
Profit from ordinary activities after tax	<u>154.0</u>	<u>132.4</u>
Owners of the parent	152.5	131.1
Non-controlling interests	<u>1.5</u>	<u>1.3</u>
	<u>154.0</u>	<u>132.4</u>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS - SIX MONTHS
ENDED 30 JUNE 2023**

	6 Months ended 30 June 2023 Unaudited £m	6 Months ended 30 June 2022 Unaudited £m
PROFIT FOR THE PERIOD	154.0	132.4
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently to profit or loss:		
Employee benefit obligation	6.4	20.9
Income tax relating to items of other comprehensive income	(1.6)	(5.2)
	<u>4.8</u>	<u>15.7</u>
Items that may be reclassified subsequently to profit or loss:		
Exchange difference on translation of foreign operations	(7.6)	0.3
Cash flow hedge	7.5	11.8
Income tax relating to items of other comprehensive income	(1.8)	(3.0)
	<u>(1.9)</u>	<u>9.1</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	<u>2.9</u>	<u>24.8</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>156.9</u>	<u>157.2</u>
 Owners of the parent	 155.4	 155.9
Non-controlling interests	<u>1.5</u>	<u>1.3</u>
	<u>156.9</u>	<u>157.2</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - SIX MONTHS ENDED 30 JUNE 2023

	30 June 2023	31 December 2022
	Unaudited £m	£m
ASSETS		
NON-CURRENT ASSETS		
Goodwill	248.8	248.8
Intangible assets	51.5	51.2
Property, plant and equipment	7,647.0	7,562.0
Right of use assets	31.0	31.0
Investments	4.7	4.0
Pension asset	164.3	151.5
Derivative asset	37.5	46.0
Tax asset	0.6	0.7
Trade and other receivables	4.2	4.1
	<u>8,189.6</u>	<u>8,099.3</u>
CURRENT ASSETS		
Inventories	33.9	20.9
Trade and other receivables	171.8	165.8
Contract assets	10.4	7.6
Derivative asset	4.2	0.2
Tax receivables	3.8	3.1
Cash and cash equivalents	20.3	29.1
Restricted cash	2.8	-
	<u>247.2</u>	<u>226.7</u>
TOTAL ASSETS	<u>8,436.8</u>	<u>8,380.9</u>
EQUITY		
SHAREHOLDERS' EQUITY		
Share capital	354.6	354.6
Share premium account	(0.8)	(0.8)
Hedging reserves	23.1	17.4
Foreign exchange reserves	(8.9)	(1.3)
Retained earnings	3,054.8	2,897.5
	<u>3,407.9</u>	<u>3,267.4</u>
Non Controlling Interest	42.2	40.7
TOTAL EQUITY	<u>3,465.0</u>	<u>3,308.1</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - SIX MONTHS ENDED 30 JUNE 2023

	30 June 2023	31 December 2022
	Unaudited £m	£m
LIABILITIES		
NON-CURRENT LIABILITIES		
Deferred revenue	1,513.1	1,504.5
Borrowings	2,479.9	2,512.6
Lease liabilities	26.1	26.1
Deferred tax	377.1	408.6
Provisions	43.5	63.0
	<u>4,439.7</u>	<u>4,514.8</u>
CURRENT LIABILITIES		
Trade and other payables	283.0	269.4
Deferred revenue	68.0	66.7
Borrowings	163.7	184.3
Lease liabilities	6.4	6.4
Derivative liabilities	-	15.3
Provisions	11.0	15.9
	<u>532.1</u>	<u>558.0</u>
TOTAL LIABILITIES	<u>4,971.8</u>	<u>5,072.8</u>
TOTAL EQUITY AND LIABILITIES	<u>8,436.8</u>	<u>8,380.9</u>

The interim financial statements were approved by the board of directors and authorised for issue on 14 September 2023 and were signed on its behalf by:



A P Jones
Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - SIX MONTHS ENDED 30 JUNE 2023

	Share Capital £m	Share Premium Account £m	Other Reserves £m	Retained Earnings £m	Total £m
Balance at 1 January 2023	354.6	(0.8)	16.1	2,897.5	3,267.4
Profit for the period (unaudited)	-	-	-	152.5	152.5
Other comprehensive income (unaudited)	-	-	5.7	4.8	10.5
Foreign exchange translation adjustment (unaudited)	-	-	(7.6)	-	(7.6)
Balance at 30 June 2023	354.6	(0.8)	14.2	3,054.8	3,422.8
				Non- Controlling Interests £m	Total Equity £m
Balance at 1 January 2023				40.7	3,308.1
Profit for the period (unaudited)				1.5	154.0
Other comprehensive income (unaudited)				-	10.5
Foreign exchange translation adjustment (unaudited)				-	(7.6)
Balance at 30 June 2023				42.2	3,465.0

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - SIX MONTHS ENDED 30 JUNE 2023 (CONTINUED)

	Share Capital £m	Share Premium Account £m	Other Reserves £m	Retained Earnings £m	Total £m
Balance at 1 January 2022	354.6	(0.8)	(0.4)	2,776.2	3,129.6
Profit for the period (unaudited)	-	-	-	131.1	131.1
Other comprehensive income (unaudited)	-	-	8.8	15.7	24.5
Foregin exchange translation adjustment (unaudited)	-	-	0.3	-	0.3
Balance at 30 June 2022	354.6	(0.8)	8.7	2,923.0	3,285.5

	Non- Controlling Interests £m	Total Equity £m
Balance at 1 January 2022	38.7	3,168.3
Profit for the period (unaudited)	1.3	132.4
Other comprehensive income (unaudited)	-	24.5
Foregin exchange translation adjustment	-	0.3
Balance at 30 June 2022	40.0	3,325.5

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - SIX MONTHS ENDED 30 JUNE 2023 (CONTINUED)

	Share Capital £m	Share Premium Account £m	Other Reserves £m	Retained Earnings £m	Total £m
Balance at 1 January 2022	354.6	(0.8)	(0.4)	2,776.2	3,129.6
Profit for the year	-	-	-	195.5	195.5
Other comprehensive income	-	-	16.6	(74.2)	(57.6)
Foreign exchange translation adjustment	-	-	(0.1)	-	(0.1)
Balance at 31 December 2022	354.6	(0.8)	16.1	2,897.5	3,267.4

	Non- Controlling Interests £m	Total Equity £m
Balance at 1 January 2022	38.7	3,168.3
Profit for the year	2.0	197.5
Other comprehensive income	-	(57.6)
Foreign exchange translation adjustment	-	(0.1)
Balance at 31 December 2022	40.7	3,308.1

CONSOLIDATED CASH FLOW STATEMENT

	6 Months ended 30 June 2023 Unaudited £m	6 Months ended 30 June 2022 Unaudited £m
Cash flows from operating activities		
Profit for the year	154.0	132.4
Depreciation and amortisation	172.5	172.4
Amortisation of deferred revenue	(33.4)	(32.9)
Profit on disposal of property, plant & equipment	(0.1)	(0.3)
Retirement benefit obligation	(3.6)	(1.9)
Finance income	(0.9)	(0.9)
Finance costs	49.0	49.2
Income tax expense	8.0	32.4
	<u>345.5</u>	<u>350.4</u>
Increase in inventories	(1.7)	(2.5)
Decrease/(increase) in trade and other receivables	16.5	(28.0)
Increase in contract assets	(1.4)	(0.2)
(Decrease)/increase in trade and other payables	(23.3)	30.8
Decrease in provisions	(6.4)	(2.6)
	<u>329.2</u>	<u>347.9</u>
Cash inflow from operating activities	329.2	347.9
Net interest paid	(52.5)	(34.3)
Tax paid	(40.1)	(34.2)
	<u>(92.6)</u>	<u>(68.5)</u>
Net cash from operating activities	<u>236.6</u>	<u>279.4</u>
Investing activities		
Proceeds from disposal of property, plant and equipment	0.1	0.3
Purchase of property, plant and equipment	(256.6)	(444.3)
Purchase of intangible assets	(5.8)	(3.2)
Investment in associate	(0.7)	(1.3)
Receipt of customer contributions	68.2	54.2
	<u>61.3</u>	<u>56.0</u>
Net cash used in investing activities	<u>(194.8)</u>	<u>(394.3)</u>
Financing activities		
Issue of long-term borrowings	-	346.3
Repayment of long-term borrowings	(31.4)	-
Movement of short-term borrowings	(17.4)	12.1
Lease payment	(3.7)	(3.6)
	<u>(52.5)</u>	<u>354.8</u>
Net cash (used in)/generated from financing activities	<u>(52.5)</u>	<u>354.8</u>
Net increase/(decrease) in cash and cash equivalents	<u>(10.7)</u>	<u>239.9</u>
Cash and cash equivalents at beginning of period	<u>31.0</u>	<u>29.1</u>
Cash and cash equivalents at end of period	<u>20.3</u>	<u>269.0</u>

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The information included within these condensed financial statements for the year ended 31 December 2022 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 2022 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 2023, which alter the view expressed in the annual reports and accounts to 31 December 2022.

Changes in accounting policy

The Group’s accounting policies and methods of computation are the same as the accounting policies which are described in the Group’s financial statements for the year ended 31 December 2022, with the only changes being outlined below.

Application of new and revised IFRS

None of the standards, interpretations and amendments which are effective for periods beginning 1 January 2023 has had a material effect on the financial statements:

- Amendments to IFRS 17 – Insurance contracts;
- Amendments to IAS 1 – disclosure of accounting policies;
- Amendments to IAS 8 – definition of accounting estimates; and
- Amendments to IAS 12 – deferred tax on leases and decommission obligations.

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 2023 (unaudited):

	Distribution £m	Other £m	Total £m
REVENUE			
External sales	462.1	99.8	561.9
Inter-segment sales	0.4	(0.4)	-
Total Revenue	<u>462.5</u>	<u>99.4</u>	<u>561.9</u>
SEGMENT RESULTS			
Operating profit	<u>188.7</u>	<u>21.3</u>	210.0
Other gains			0.1
Finance income			0.9
Finance costs			<u>(49.0)</u>
Profit before tax			<u>162.0</u>
OTHER INFORMATION			
Capital additions	227.5	53.8	281.3
Depreciation and amortisation	123.7	48.8	172.5
Amortisation of deferred revenue	<u>(33.4)</u>	<u>-</u>	<u>(33.4)</u>

External sales to the E.ON group in the six months ended 30 June 2023 represented 22.38% of revenue within the Distribution segment.

External sales to British Gas Ltd in the six months ended 30 June 2023 represented 13.54% 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 2022 (unaudited):

	Distribution £m	Other £m	Total £m
REVENUE			
External sales	472.9	69.6	542.5
Inter-segment sales	<u>0.4</u>	<u>(0.4)</u>	<u>-</u>
Total Revenue	<u>473.3</u>	<u>69.2</u>	<u>542.5</u>
SEGMENT RESULTS			
Operating profit	<u>192.3</u>	<u>20.5</u>	212.8
Other losses			0.3
Finance income			0.9
Finance costs			<u>(49.2)</u>
Profit before tax			<u>164.8</u>
OTHER INFORMATION			
Capital additions	251.6	203.8	455.4
Depreciation and amortisation	119.7	52.7	172.4
Amortisation of deferred revenue	<u>(32.9)</u>	<u>-</u>	<u>(32.9)</u>

External sales to the E.ON group in the six months ended 30 June 2022 represented 22.38% of revenue within the Distribution segment.

External sales to British Gas Ltd in the six months ended 30 June 2022 represented 13.54% 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

Segment net assets	30 June 2023 Unaudited £m	31 December 2022 £m
Distribution	5,554.8	5,096.2
Other	<u>1,056.4</u>	<u>893.4</u>
Total net assets by segment	6,611.2	5,989.6
Unallocated net corporate liabilities	<u>(3,146.2)</u>	<u>(2,681.5)</u>
Total net assets	<u>3,465.0</u>	<u>3,308.1</u>

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

4. INCOME TAX EXPENSE

Tax for the six-month period ended 30 June 2023 is charged at 25.9% (six months ended 30 June 2022: 19.7%). This is higher than the standard rate of corporation tax in the UK and 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. In addition a prior period adjustment of £33.9m has been allocated in the period.

	6 months ended 30 June 2023 Unaudited £m	6 months ended 30 June 2022 Unaudited £m
Current tax	42.8	32.3
Deferred tax	<u>(34.8)</u>	<u>0.1</u>
Total income tax expense	<u>8.0</u>	<u>32.4</u>

The Autumn Statement 2022 confirmed the increased rate of corporation tax from 19% to 25% from 1 April 2023. Deferred tax balances are therefore measured at 25% at 30 June 2023 (six months ended 30 June 2022: 25%).

There is no uncertainty over the acceptable income tax treatment. Should any uncertainties arise, the Group and Company will apply adopted amendments to IFRIC 23.

5. DIVIDENDS

No dividends were distributed to the shareholders in the six month period ended 30 June 2023 (six months ended 30 June 2022: £nil)

6. RETIREMENT BENEFIT SCHEMES

The defined benefit obligation as at 30 June 2023 is calculated on a year-to-date basis, using the annual actuarial valuation as at 31 December 2022. The latest triennial valuation carried out by AON was on the 31 March 2022 and was concluded in 2023. 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 2023.

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 2023	31 December 2022	30 June 2023	31 December 2022
	Unaudited £m	£m	Unaudited £m	£m
Financial liabilities				
Short-term loans	82.2	99.5	82.2	99.6
Bond 2025 – 2.5% (Northern Powergrid (Yorkshire) plc)	150.4	152.2	140.5	142.4
Bond 2028 – 7.25% (Yorkshire Power Finance Limited)	199.6	193.1	203.0	206.1
Bond 2032 4.375% (Northern Powergrid (Yorkshire) plc)	154.7	151.4	141.1	143.7
Bond 2035 – 5.125% (Northern Electric Finance plc)	149.5	153.5	141.0	150.1
Bond 2035 – 5.125% (Northern Powergrid (Yorkshire) plc)	199.3	204.6	187.9	200.3
Bond 2049 – 2.750% (Northern Electric Finance plc)	148.0	150.1	95.0	100.5
Bond 2052 – 3.250% (Northern Electric Finance plc)	349.3	354.9	242.3	259.8
Bond 2059 – 2.250% (Northern Powergrid (Yorkshire) plc)	298.8	295.4	159.9	169.8
Bond 2062 – 1.875% (Northern Powergrid (Northeast) plc)	295.0	297.6	139.3	154.3
EIB loans 2027 – 2.564%	253.5	250.3	217.5	215.1
EIB loans 2025 – 2.073%	50.6	50.1	45.4	45.2
CalEnergy Resources Limited - 2025	123.2	135.2	118.5	131.4
Amortised loan 2026 – 2.5041%* (Northern Powergrid Metering Ltd)	155.4	174.9	157.3	173.5
Cumulative preference shares	34.1	34.1	40.9	42.9
	<u>2,643.6</u>	<u>2,696.9</u>	<u>2,111.8</u>	<u>2,234.7</u>

*2026 £218m Amortising Loan is 80% swapped at a fixed rate of 2.4455%, with the remaining 20% floating at SONIA plus 1.55%. Loan is secured by a Fixed and Floating charge over all assets of the Company (excluding smart meters) and limited recourse security over the issued share capital of the Company by the Shareholder.

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
Related party				
<i>Six months ended 30 June</i>				
<i>2023:</i>				
Immediate Parent Companies*	-	-	24.8	-
Vehicle Lease and Service Limited	-	5.1	-	-
	<u>-</u>	<u>5.1</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>6.0</u>	<u>24.8</u>	<u>-</u>
<i>Six months ended 30 June</i>				
<i>2022:</i>				
Immediate Parent Companies*	-	-	19.3	-
Vehicle Lease and Service Limited	-	6.0	-	-
	<u>-</u>	<u>6.0</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>6.0</u>	<u>19.3</u>	<u>-</u>
<i>Year ended 31 December</i>				
<i>2022:</i>				
Immediate Parent Companies*	-	-	25.8	-
Vehicle Lease and Service Limited	0.1	11.1	0.2	-
	<u>0.1</u>	<u>11.1</u>	<u>0.2</u>	<u>-</u>
	<u>-</u>	<u>9.9</u>	<u>24.8</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:

	Amounts owed from/(to) related parties £m	Interest from/(to) related parties £m	Dividends from/(to) related parties £m
Related party			
<i>Six months ended 30 June 2023:</i>			
Immediate Parent Companies*	(22.1)	-	-
CalEnergy Resources Limited	284.3	9.4	-
Yorkshire Electricity Group plc	51.7	0.9	-
	<u>313.9</u>	<u>10.3</u>	<u>-</u>
<i>Six months ended 30 June 2022:</i>			
Immediate Parent Companies*	(16.6)	-	-
Northern Powergrid (Northeast) plc	102.9	2.9	-
CalEnergy Resources Limited	274.9	5.5	-
Yorkshire Electricity Group plc	44.8	0.9	-
	<u>406.0</u>	<u>9.3</u>	<u>-</u>
<i>Year ended 31 December 2022:</i>			
Immediate Parent Companies*	(23.2)	-	-
Northern Powergrid (Northeast) plc	-	5.6	-
CalEnergy Resources Limited	264.1	12.5	-
Yorkshire Electricity Group plc	38.0	1.8	-
	<u>278.9</u>	<u>19.9</u>	<u>32.2</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.