

NORTHERN ELECTRIC plc

HALF-YEARLY FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2024

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 Electric plc (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 is part of the Northern Powergrid Holdings Company and its subsidiaries group of companies (the “Northern Powergrid Group”) and its principal activity during the six months to 30 June 2024 was to act as a holding company, with its main operating subsidiaries being Northern Powergrid (Northeast) plc (“Northern Powergrid”), Integrated Utility Services Limited (“IUS”) and Northern Powergrid Metering Limited (“Metering”).

Northern Powergrid distributes electricity to approximately 1.6 million customers connected to its electricity distribution network in the North East of England and is an authorised distributor under the Electricity Act 1989. IUS provides engineering contracting services to various clients and Metering rents meters to energy suppliers.

Results for the six months ended 30 June 2024

During the period ended 30 June 2024, the Group made a profit after tax of £95.0 million; this was £28.1 million higher than the 6 months ended 30 June 2023 and was mainly as a result of higher gross margins.

IUS continued to operate its engineering contracting business with revenues higher than the 6 months ended 30 June 2023.

Metering continued to deliver a satisfactory performance in terms of the contracts secured with energy suppliers for the provision of smart meters in the United Kingdom.

Revenue

Revenue at £317.6 million was £34.6 million higher than for the six months ended 30 June 2023 mainly due to higher distribution use of system tariffs and the recovery of amounts paid under the supplier of last resort process, as well as increased contracting and metering revenues.

Cash flow

Cash and cash equivalents as at 30 June 2024 were £15.4 million, representing an increase of £0.7 million when compared with the position at 31 December 2023. This compares with an decrease of £202.4 million in the comparative six month period, primarily due to the reclassification of intercompany current account.

The Group has access to a £100 million revolving credit facility provided by Barclays Bank plc, Lloyds Bank plc, HSBC UK Bank plc and Royal Bank of Canada. The Group entered into a new Facility Agreement in December 2021 for a period of three years, with two 1-year extension options. During the year the Group exercised the second extension option which extended the termination date to December 2026.

In addition, the Group has access to short-term borrowing facilities provided by Yorkshire Electricity Group plc, a related party, and to a £19.0 million overdraft facility provided by Lloyds Bank plc.

Dividends

No ordinary dividends were paid in the period resulting in £94.2 million being transferred to reserves.

Related party transactions

The Company provides certain corporate functions to the Northern Powergrid Group.

Further details of the related party transactions entered into by the Group and the Company and changes therein are included in Note 7 to this half-yearly financial report.

Principal risks and uncertainties

Information concerning 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 2023, 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 2024.

Going concern

In the Group's latest annual reports and accounts for the year to 31 December 2023 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 2024, which alter the view expressed in the annual reports and accounts to 31 December 2023.

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 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 as required by Disclosure and Transparency Rules ("DTR") 4.2.4R for the six months to 30 June 2023;
- (b) the interim management report contains a fair review of the information required by DTR 4.2.7R; and
- (c) the interim management report includes a fair review of the information required by DTR 4.2.8R.

By order of the board



A P Jones
Director

23 September 2024

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS - SIX MONTHS
ENDED 30 JUNE 2024**

| | 6 Months ended 30 June 2024 (unaudited) | 6 Months ended 30 June 2023 (unaudited) |
|--|--|--|
| | £m | £m |
| Revenue | 317.6 | 283.0 |
| Cost of sales | <u>(28.2)</u> | <u>(41.0)</u> |
| Gross profit | 289.4 | 242.0 |
| Operating expenses | <u>(143.5)</u> | <u>(133.9)</u> |
| Operating profit | 145.9 | 108.1 |
| Other (losses)/gains | - | (0.1) |
| Finance income | 10.0 | 7.7 |
| Finance costs | <u>(27.3)</u> | <u>(26.2)</u> |
| Profit before tax | 128.6 | 89.5 |
| Income tax expense | <u>(33.6)</u> | <u>(22.6)</u> |
| Profit from ordinary activities after tax | <u>95.0</u> | <u>66.9</u> |

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
COMPREHENSIVE INCOME - SIX MONTHS ENDED 30 JUNE 2024**

| | 6 Months ended 30 June 2024 (unaudited) £m | 6 Months ended 30 June 2023 (unaudited) £m |
|--|--|--|
| PROFIT FOR THE PERIOD | 95.0 | 66.9 |
| OTHER COMPREHENSIVE INCOME | | |
| Items that will not be reclassified subsequently to profit or loss: | | |
| Employee benefit obligation | 7.3 | 6.3 |
| Income tax relating to items of other comprehensive income | (1.8) | (1.6) |
| | <u>5.5</u> | <u>4.7</u> |
| Items that may be reclassified subsequently to profit or loss: | | |
| Cash flow hedge | 0.6 | 3.0 |
| Income tax relating to items of other comprehensive income | (0.2) | (0.8) |
| | <u>0.4</u> | <u>2.2</u> |
| OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX | <u>5.9</u> | <u>6.9</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | <u>100.9</u> | <u>73.8</u> |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - SIX MONTHS ENDED 30 JUNE 2024

| | 30 June 2024 (unaudited) £m | 31 December 2023 £m |
|-------------------------------|--|----------------------------------|
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Intangible assets | 47.1 | 50.6 |
| Property, plant and equipment | 3,205.5 | 3,163.4 |
| Right of use asset | 11.2 | 11.2 |
| Investments | 4.0 | 3.6 |
| Pension asset | 160.7 | 148.6 |
| Derivative asset | 9.7 | 8.8 |
| Trade and other receivables | 4.2 | 6.5 |
| | <u>3,442.4</u> | <u>3,392.8</u> |
| CURRENT ASSETS | | |
| Inventories | 27.3 | 29.9 |
| Trade and other receivables | 385.8 | 342.9 |
| Contract assets | 7.4 | 7.1 |
| Tax receivable | 1.5 | - |
| Derivative asset | 5.6 | 5.9 |
| Cash and cash equivalents | 15.4 | 14.8 |
| | <u>443.0</u> | <u>400.6</u> |
| TOTAL ASSETS | <u>3,885.4</u> | <u>3,793.3</u> |
| EQUITY | | |
| SHAREHOLDERS' EQUITY | | |
| Share capital | 72.2 | 72.2 |
| Share premium account | 158.7 | 158.7 |
| Hedging reserves | 11.4 | 11.0 |
| Other reserves | 6.2 | 6.2 |
| Retained earnings | 1,323.7 | 1,223.2 |
| TOTAL EQUITY | <u>1,572.2</u> | <u>1,471.4</u> |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - SIX MONTHS ENDED 30 JUNE 2024

| | 30 June 2024 (unaudited) £m | 31 December 2023 £m |
|-------------------------------------|--------------------------------------|---------------------------|
| LIABILITIES | | |
| NON-CURRENT LIABILITIES | | |
| Deferred revenue | 658.5 | 668.1 |
| Borrowings | 1,133.0 | 1,153.1 |
| Lease liability | 8.4 | 8.4 |
| Deferred tax | 180.0 | 160.9 |
| Provisions | 1.5 | 1.6 |
| | <u>1,981.4</u> | <u>1,992.1</u> |
| CURRENT LIABILITIES | | |
| Trade and other payables | 166.8 | 155.8 |
| Deferred revenue | 29.9 | 30.0 |
| Borrowings | 129.7 | 135.3 |
| Lease liability | 3.2 | 3.2 |
| Tax payable | - | 3.2 |
| Provisions | 2.1 | 2.3 |
| | <u>331.8</u> | <u>329.8</u> |
| TOTAL LIABILITIES | <u>2,313.2</u> | <u>2,321.9</u> |
| TOTAL EQUITY AND LIABILITIES | <u>3,885.4</u> | <u>3,793.3</u> |

The interim financial statements were approved by the board of directors and authorised for issue on 23 September 2024 and were signed on its behalf by:



A P Jones
Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - SIX MONTHS ENDED 30 JUNE 2024

| | Share Capital £m | Share Premium Account £m | Other Reserves £m | Hedging Reserves £m | Retained Earnings £m | Total £m |
|---|------------------------|-----------------------------------|-------------------------|---------------------------|----------------------------|----------------|
| Balance at 1 January 2024 | 72.2 | 158.7 | 6.2 | 11.0 | 1,223.2 | 1,471.4 |
| Profit for the period (unaudited) | - | - | - | - | 95.0 | 95.0 |
| Other comprehensive income (unaudited) | - | - | - | 0.4 | 5.5 | 5.9 |
| Balance at 30 June 2023 | 72.2 | 158.7 | 6.2 | 11.4 | 1,323.7 | 1,572.2 |
| | Share Capital £m | Share Premium Account £m | Other Reserves £m | Hedging Reserves £m | Retained Earnings £m | Total £m |
| Balance at 1 January 2023 | 72.2 | 158.7 | 6.2 | 16.3 | 1,144.6 | 1,398.0 |
| Profit for the period (unaudited) | - | - | - | - | 66.9 | 66.9 |
| Other comprehensive income (unaudited) | - | - | - | 2.2 | 4.7 | 6.9 |
| Balance at 30 June 2023 | 72.2 | 158.7 | 6.2 | 18.5 | 1,216.2 | 1,471.8 |
| | Share Capital £m | Share Premium Account £m | Other Reserves £m | Hedging Reserves £m | Retained Earnings £m | Total £m |
| Balance at 1 January 2023 | 72.2 | 158.7 | 6.2 | 16.3 | 1,144.6 | 1,398.0 |
| Profit for the period | - | - | - | - | 134.6 | 134.6 |
| Other comprehensive income | - | - | - | (5.3) | (8.0) | (13.3) |
| Dividends | - | - | - | - | (48.0) | (48.0) |
| Balance at 31 December 2023 | 72.2 | 158.7 | 6.2 | 11.0 | 1,223.2 | 1,471.4 |

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | 6 Months ended 30 June 2024 (unaudited) £m | (As restated) 6 Months ended 30 June 2023 (unaudited) £m |
|---|--|---|
| Cash flows from operating activities | | |
| Profit for the year | 95.0 | 66.9 |
| Depreciation and amortisation | 83.7 | 81.5 |
| Amortisation of deferred revenue | (15.0) | (15.0) |
| (Loss)/profit on disposal of property, plant and equipment | - | 0.1 |
| Retirement benefit obligation | (2.9) | (3.6) |
| Finance income | (10.0) | (7.7) |
| Finance costs | 27.3 | 26.2 |
| Income tax expense | 33.6 | 22.6 |
| | <u>211.7</u> | <u>171.0</u> |
| (Increase)/decrease in inventories | 2.0 | (1.4) |
| Decrease/(increase) in trade and other receivables | (18.5) | 10.0 |
| Increase in contract assets | (0.3) | (1.6) |
| Increase/(decrease) in trade and other payables | 0.9 | 1.0 |
| Decrease in provisions | (0.4) | (0.1) |
| | <u>195.4</u> | <u>178.9</u> |
| Cash generated from operations | | |
| Receipt of customer contributions* | 17.2 | 33.2 |
| Net interest paid | (30.1) | (31.4) |
| Tax paid | (24.3) | (19.5) |
| | <u>158.2</u> | <u>161.2</u> |
| Net cash from operating activities | | |
| Investing activities | | |
| Proceeds from disposal of property, plant and equipment | - | - |
| Purchase of property, plant and equipment | (119.9) | (102.0) |
| Purchase of intangible assets | (2.0) | (5.3) |
| Amounts loaned to group companies | (20.9) | (73.2) |
| | <u>(142.8)</u> | <u>(180.5)</u> |
| Net cash used in investing activities | | |
| Financing activities | | |
| Issue of long-term borrowings | - | - |
| Repayment of long-term borrowings | (19.8) | (19.5) |
| Repayment of short-term borrowings | 7.0 | (10.1) |
| Movement in loans from group undertakings | - | - |
| Lease payment | (2.0) | (2.0) |
| | <u>(14.8)</u> | <u>(31.6)</u> |
| Net cash (used in)/generated by financing activities | | |
| Net increase/(decrease) in cash and cash equivalents | 0.6 | (50.9) |
| Cash and cash equivalents at beginning of period | 15.4 | 268.7 |

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | | |
|---|--------------------|---------------------|
| Cash and cash equivalents at end of period | <u>14.8</u> | <u>217.8</u> |
|---|--------------------|---------------------|

*Following a review of sector general practice and to align with the accounting treatment of customer contributions within revenue these amounts have been presented within operating activities rather than investing activities with the comparatives restated. Accordingly this has resulted in an increase in cash from operating activities and increase in cash used in investing activities in the comparative period by £33.2m. There has been no other impact on the financial statements from this change.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The information included within these condensed financial statements that refer to the year ended 31 December 2023, 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 2023 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 2024, which alter the view expressed in the annual reports and accounts to 31 December 2023.

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 2023, 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 2024 has had a material effect on the financial statements:

- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Amendments to IFRS 16: Lease Liability on a Sale and Leaseback
- Amendments to IAS 7 and IFRS 7: Supplier Finance Agreements

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

3. SEGMENTAL ANALYSIS

The Group operates in three principal areas of activity, those of the distribution of electricity, engineering contracting and smart meter rental in the United Kingdom.

The Group is separated into the following segments:

Distribution: Northern Powergrid (Northeast) plc

Contracting: Integrated Utility Services Limited

Metering: Northern Powergrid Metering Limited

Other: Includes support activities and consolidation adjustments

The following is an analysis of the Group's revenue and results by reportable segment in the six months ended 30 June 2024 (unaudited):

| | Distribution | Contracting | Metering | Other | Consolidation Adjustment | Total |
|----------------------------------|---------------|-------------|-------------|------------|-----------------------------|----------------------|
| | £m | £m | £m | £m | £m | £m |
| REVENUE | | | | | | |
| External sales | 250.5 | 20.0 | 46.5 | 0.6 | - | 317.6 |
| Inter-segment sales | 1.9 | 4.9 | - | - | 6.8 | (0.1) |
| Total Revenue | <u>252.4</u> | <u>24.9</u> | <u>46.5</u> | <u>0.6</u> | 6.8 | <u>317.6</u> |
| SEGMENT RESULTS | | | | | | |
| Operating profit/(loss) | <u>120.9</u> | <u>0.9</u> | <u>20.3</u> | <u>0.6</u> | 3.2 | 145.9 |
| Other losses | | | | | | - |
| Finance income | | | | | | 10.0 |
| Finance costs | | | | | | <u>(27.3)</u> |
| Profit before tax | | | | | | <u>128.6</u> |
| OTHER INFORMATION | | | | | | |
| Capital additions | 114.0 | - | 23.6 | - | 0.2 | 137.4 |
| Depreciation and amortisation | 51.1 | 0.2 | 25.6 | - | 0.4 | 76.5 |
| Amortisation of deferred revenue | <u>(15.0)</u> | <u>-</u> | <u>-</u> | <u>-</u> | - | <u>(15.0)</u> |

External sales to the E.ON group in the six months ended 30 June 2024 represented 17.83% of revenue within the Distribution segment.

External sales to British Gas Ltd in the six months ended 30 June 2024 represented 14.44% 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 2023 (unaudited):

| | Distribution £m | Contracting £m | Metering £m | Other £m | Total £m |
|----------------------------------|--------------------|-------------------|----------------|--------------|----------------------|
| REVENUE | | | | | |
| External sales | 219.2 | 20.2 | 43.1 | 0.5 | 283.0 |
| Inter-segment sales | <u>1.5</u> | <u>3.1</u> | <u>-</u> | <u>(4.6)</u> | <u>-</u> |
| Total Revenue | <u>220.7</u> | <u>23.3</u> | <u>43.1</u> | <u>(4.1)</u> | <u>283.0</u> |
| SEGMENT RESULTS | | | | | |
| Operating profit | <u>84.8</u> | <u>1.0</u> | <u>17.5</u> | <u>4.8</u> | 108.1 |
| Other gains | | | | | (0.1) |
| Finance income | | | | | 7.7 |
| Finance costs | | | | | <u>(26.2)</u> |
| Profit before tax | | | | | <u>89.5</u> |
| OTHER INFORMATION | | | | | |
| Capital additions | 84.4 | 0.1 | 36.6 | - | 121.1 |
| Depreciation and amortisation | 56.6 | 0.1 | 25.7 | (0.9) | 81.5 |
| Amortisation of deferred revenue | <u>(15.0)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(15.0)</u> |

External sales to E.ON group in the six months ended 30 June 2023 represented 20.76% of revenue within the Distribution segment.

External sales to British Gas Ltd in the six months ended 30 June 2023 represented 12.48% of revenue within the Distribution segment.

Sales and purchases between the different segments are made at commercial prices.

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 2024 Unaudited £m | 31 December 2023 £m |
|---------------------------------------|--|--|
| Distribution | 2,327.6 | 2,167.4 |
| Contracting | 5.0 | 4.3 |
| Metering | 105.1 | 109.8 |
| Other | <u>167.9</u> | <u>110.7</u> |
| Total net assets by segment | 2,605.6 | 2,474.6 |
| Unallocated net corporate liabilities | <u>(1,033.4)</u> | <u>(1,003.3)</u> |
| Total net assets | <u><u>1,572.2</u></u> | <u><u>1,471.4</u></u> |

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

4. INCOME TAX EXPENSE

Tax for the six-month period ended 30 June 2024 is charged at 26.1% (six months ended 30 June 2023: 25.3%). 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

| | 6 months ended 30 June 2024 Unaudited £m | 6 months ended 30 June 2023 Unaudited £m |
|--------------------------|---|---|
| Current tax | 24.0 | 21.8 |
| Deferred tax | <u>9.6</u> | <u>0.8</u> |
| Total income tax expense | <u>33.6</u> | <u>22.6</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 2024 (six months ended 30 June 2023: 25%).

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

5. RETIREMENT BENEFIT SCHEMES

The defined benefit obligation as at 30 June 2024 is calculated on a year-to-date basis, using the annual actuarial valuation as at 31 December 2023. The latest triennial valuation carried out by AON was on the 2 February 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 2024.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

6. 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 2024 Unaudited £m | 31 December 2023 £m | 30 June 2024 Unaudited £m | 31 December 2023 £m |
| Financial liabilities | | | | |
| Short-term loan | 79.9 | 72.9 | 79.9 | 62.9 |
| Bond 2035 – 5.125% (Northern Electric Finance plc) | 149.6 | 153.6 | 148.4 | 158.5 |
| Bond 2049 – 2.750% (Northern Electric Finance plc) | 148.1 | 150.2 | 94.7 | 106.2 |
| Bond 2052 – 3.25% (Northern Electric Finance plc) | 349.3 | 355.0 | 239.7 | 272.4 |
| Bond 2062 – 1.875% (Northern Powergrid (Northeast) plc) | 294.9 | 297.7 | 138.9 | 159.5 |
| Amortising loan 2026 – 3.3127%* | 115.3 | 135.5 | 117.2 | 137.5 |
| EIB Loan 2027 – 2.564% (Northern Powergrid (Northeast) plc) | 121.7 | 120.1 | 112.4 | 111.7 |
| Cumulative preference shares | 3.4 | 3.4 | - | 133.5 |
| | <u>1,262.2</u> | <u>1,288.4</u> | <u>931.2</u> | <u>1,152.1</u> |

*2026 £117m Amortising Loan is 80% swapped at a fixed rate of 2.4455%, with the remaining 20% floating at SONIA plus 1.55%

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

7. 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)/from related parties £m | Borrowings (to)/from related parties £m | Finance income/ (costs) from/(to) related parties £m |
|---------------------------------------|--------------------------------------|---|--|---|--|
| Related party | | | | | |
| <i>Six months ended 30 June</i> | | | | | |
| <i>2024:</i> | | | | | |
| Northern Powergrid (Yorkshire) plc | 19.8 | 8.4 | - | - | - |
| Yorkshire Electricity Group plc | - | - | - | 263.6 | (6.7) |
| | <u>19.8</u> | <u>8.4</u> | <u>-</u> | <u>263.6</u> | <u>(6.7)</u> |
| <i>Six months ended 30 June</i> | | | | | |
| <i>2023:</i> | | | | | |
| Northern Powergrid (Yorkshire) plc | 18.0 | 7.6 | - | - | - |
| Yorkshire Electricity Group plc | - | - | - | 73.2 | (6.7) |
| | <u>18.0</u> | <u>7.6</u> | <u>-</u> | <u>73.2</u> | <u>(6.7)</u> |

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

7. RELATED PARTY TRANSACTIONS (CONTINUED)

Group - continued

| | Sales to related parties £m | Purchases from related parties £m | Amounts owed to related parties £m | Borrowings to/(from) related parties £m | Finance income/ (costs) from/(to) related parties £m |
|--|--------------------------------------|---|--|---|--|
| Related party | | | | | |
| <i>Year ended</i> | | | | | |
| <i>31 December 2023:</i> | | | | | |
| Integrated Utility Services Limited (registered in Eire) | 2.2 | 2.9 | - | - | - |
| CE Gas Ltd | 0.7 | - | - | - | - |
| Northern Powergrid Limited | - | - | - | - | - |
| Northern Powergrid (Yorkshire) plc | 37.5 | 15.4 | 2.2 | - | - |
| Vehicle Lease and Service Limited | - | 5.1 | - | - | 0.2 |
| Yorkshire Electricity Group plc | - | - | - | 242.7 | 0.6 |
| | <u>40.5</u> | <u>23.4</u> | <u>2.2</u> | <u>242.7</u> | <u>0.8</u> |

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

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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

7. RELATED PARTY TRANSACTIONS (CONTINUED)

Company

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

| | Sales to related parties £m | Purchases from related parties £m | Borrowings (to)/from related parties £m | Finance income/ (costs) from/(to) related parties £m |
|--|--------------------------------------|---|---|--|
| Related party | | | | |
| <i>Six months ended 30 June</i> | | | | |
| <i>2024:</i> | | | | |
| Integrated Utility Services Limited | 0.1 | - | - | - |
| CE Gas Limited | 0.3 | | | |
| Northern Powergrid Limited | - | - | - | - |
| Northern Powergrid (Northeast) plc | 1.5 | - | | |
| Northern Powergrid (Yorkshire) plc | 1.4 | | | |
| Northern Powergrid Metering Limited | 0.1 | | | |
| Yorkshire Electricity Group plc | - | - | 40.4 | 6.2 |
| | <u>3.4</u> | <u>-</u> | <u>40.4</u> | <u>6.2</u> |
| <i>Six months ended 30 June</i> | | | | |
| <i>2023:</i> | | | | |
| Integrated Utility Services Limited | 0.1 | - | - | - |
| Northern Powergrid Limited | - | - | - | (3.1) |
| Yorkshire Electricity Group plc | - | - | 31.8 | 0.6 |
| | <u>0.1</u> | <u>-</u> | <u>31.8</u> | <u>(2.5)</u> |

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

7. RELATED PARTY TRANSACTIONS (CONTINUED)

Company – continued

| | Sales to related parties £m | Purchases from related parties £m | Amounts owed to related parties £m | Borrowings (to)/from related parties £m | Finance income/ (costs) from/(to) related parties £m |
|---|--------------------------------------|---|--|---|--|
| Related party | | | | | |
| <i>Year ended 31 December</i> | | | | | |
| <i>2023:</i> | | | | | |
| Integrated Utility Services Limited | - | - | - | - | - |
| CE Gas Limited | 0.7 | - | - | - | - |
| Northern Powergrid Limited | - | - | - | - | (3.1) |
| Northern Powergrid (Northeast) plc | 5.0 | - | - | - | 31.4 |
| Northern Powergrid (Yorkshire) plc | 2.3 | - | - | - | - |
| Vehicle Lease and Service Limited | - | - | - | - | 0.2 |
| Northern Powergrid Metering Limited | - | - | - | - | 16.6 |
| Northern Transport Finance Limited | - | - | - | - | - |
| Northern Electric Properties Limited | - | - | - | - | - |
| Northern Electric & Gas Limited | - | - | - | - | - |
| Yorkshire Electricity Group plc | - | - | - | 11.3 | 1.0 |
| | <u>8.0</u> | <u>-</u> | <u>-</u> | <u>11.3</u> | <u>46.1</u> |

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

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