

Company Registration No. 06873051

# **ENW CAPITAL FINANCE PLC**

**Annual Report and Financial Statements  
for the year ended 31 March 2024**

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## **Strategic Report**

The directors present their Strategic Report on ENW Capital Finance plc (“the Company”) for the year ended 31 March 2024.

### **Business review and principal activities**

The principal activity of the Company is as a financing company within the North West Electricity Networks (Jersey) Limited (“NWEN (Jersey)”) group (“the Group”) and is a non-trading entity.

The Company has previously had listed debt in issue; this debt was repaid at par on maturity in June 2015. At 31 March 2024, there were no plans to issue debt in this company; the Company is being retained for any future financing need.

There have been no significant changes to the activity of the Company in the year ended 31 March 2024.

There are no planned changes to the business activities of the Company.

### **Financial review and key performance indicators**

The results for the year are set out in the Income Statement on page 10; there was no movement through the income statement in either the current or prior year.

The Statement of Financial Position of the Company is set out on page 10, showing cash of £14k (2023: £14k) and net assets of £60k (2023: £60k).

### **Non-financial key performance indicators**

As the Company is solely a financing company and there are no employees, there are no non-financial KPIs relevant to the Company.

A review of the Group’s non-financial KPIs is disclosed on pages 27 to 28 of the Strategic Report of the Annual Report and Consolidated Financial Statements of the key trading subsidiary of the Group, Electricity North West Limited (“ENWL”), which are available on the website, [www.enwl.co.uk](http://www.enwl.co.uk).

### **Environment and climate change**

As the Company is solely a financing company, the activities of the Company cause no direct impact on, nor are directly impacted by, the environment or climate change.

The Group is dedicated to achieving the highest standards of environmental performance, by minimising negative impacts of activities and investing in outputs that deliver positive environmental impacts. More information can be found on pages 10 to 11, and page 22 of the Strategic Report of ENWL, as referenced above.

### **Principal risks and uncertainties**

An assessment of the change in risk affecting the Company has been carried out and the principal risks are deemed comparable year on year. As there have been no transactions through the Company during the current or prior year, nor are their plans for the Company to issue debt in the coming year, there are no principal risks and uncertainties facing the Company.

The directors are cognisant of the principal risks and uncertainties affecting the larger Group. The principal trade and activities of the Group are carried out in 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 on pages 40 to 44 of the Strategic Report of ENWL, as referenced above.

## Strategic Report (continued)

### Going concern

When considering whether to continue to adopt the going concern basis in preparing these 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); the key trading subsidiary in the Group is ENWL. In consideration of this, the directors of the Company are cognisant of the going concern assessments and conclusions related to going concern along with all related disclosures in the financial statements of both NWEN (Jersey), page 10, and ENWL, page 35, for the year ended 31 March 2024, the latter of which is available on the website [www.enwl.co.uk](http://www.enwl.co.uk).

The shareholders of NWEN (Jersey) are currently undertaking a Strategic Review of their investment in the Group, which includes the Company. It is possible that this Strategic Review will result in the sale by the Group's shareholders of some or all of the share capital of NWEN (Jersey).

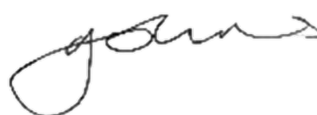
The directors have considered the impact of the ongoing Strategic Review on the appropriateness of the going concern assumption for the Company. The directors have considered the two potential outcomes of the Strategic Review:

- In the event there is no sale, the directors are satisfied that the going concern basis of preparation remains appropriate, as the Company has adequate resources to continue in operational existence and meet its obligations as they fall due for at least the next 12 months from the date of approval of these financial statements.
- In the event there is a sale, any potential new shareholders are expected to continue to run the Group, including the Company, as a going concern. The directors expect that any sale made will only take place to reputable new shareholders. No additional financial

support from the Group's shareholders is required for the Group to continue as a going concern, and the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future in this scenario. However, at the date of approval of these financial statements, the directors do not have certainty over the future actions and strategy of any acquirer, their funding arrangements or Group structure plans, including plans for the Company. This indicates the existence of a material uncertainty which may cast a significant doubt on the Company's ability to continue as a going concern. These financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Notwithstanding this uncertainty, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and meet its obligations as they fall due for the foreseeable future. In making this assessment, the Directors have considered the foreseeable future to be a period of at least 12 months from the date of approval of the financial statements, per the FRC guidelines. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

Approved by the Board on 24 July 2024 and signed on its behalf by:



**Chris Johns**  
Director

## Directors' Report

The directors present their report and the audited financial statements of ENW Capital Finance plc ("the Company") for the year ended 31 March 2024.

### General information

The Company is a public company limited by shares and incorporated and domiciled in England, the United Kingdom under the Companies Act 2006.

### Parent, ultimate parent and controlling party

The immediate parent undertaking is North West Electricity Networks plc ("NWEN plc"), a company incorporated and registered in the United Kingdom.

The ultimate parent undertaking is North West Electricity Networks (Jersey) Limited ("NWEN (Jersey)"), a company incorporated and registered in Jersey.

At 31 March 2023 and 2024, the ownership of the shares in NWEN (Jersey) was as follows:

- 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%).

As no individual shareholder owned over 50%, there was no ultimate controlling party.

### Dividends

Dividends recognised in the year were nil (2023: nil). The directors do not propose a final dividend for the year ended 31 March 2024.

As this is solely a financing company, the policy is that dividends are not paid from this company.

### Financial risk management

As the Company does not have any debt in issue, it is not exposed to any significant financial risk.

### Engagement with suppliers, customers and others

The directors have had regard to the need to foster the Company's business relationships with suppliers, customers and others. The Company is solely a financing company, is non-trading and has no direct suppliers or customers. The Company's primary business relationships are with finance lenders and investors, relationships with whom are managed by the Head of Corporate Finance and Investor Relations.

### Employees

There are no employees of the Company.

### Greenhouse gas emissions and energy use

There are no greenhouse gas emissions directly attributable to the Company. Disclosures relating to the Group as a whole are reported on pages 10 to 11 of the Strategic Report of the Annual Report and Consolidated Financial Statements, which are available on the website [www.enwl.co.uk](http://www.enwl.co.uk).

### Future developments

There are no planned changes to the business activities of the Company.

### Events after the Balance Sheet date

There are no events after the balance sheet date that require disclosure.

### Corporate governance

The Group has established a governance framework for monitoring and overseeing strategy, conduct of business standards and operations of the entire business. Details of the internal control and risk management systems which govern the Company are outlined in the Corporate Governance Report on pages 45 to 58 of the ENWL Annual Report and Consolidated Financial Statements, which are available on the website [www.enwl.co.uk](http://www.enwl.co.uk).

## Directors' Report (continued)

### Directors

The directors of the Company who were, unless otherwise stated, in office during the year and up to the date of signing the financial statements were:

#### Executive Directors

- Chris Johns (appointed 25 May 2023)
- Ian Smyth
- David Brocksom (resigned 25 May 2023)

#### Non-executive Directors

- Rob Holden
- Sion Jones (resigned 31 July 2023)
- Peter O'Flaherty (resigned 31 July 2023)
- Genping Pan (resigned 31 July 2023)
- Takeshi Tanaka (resigned 31 July 2023)
- Masahide Yamada (resigned 31 July 2023)

#### Alternate Directors

- Aisha Hamid (resigned 31 July 2023)
- Makoto Murata (resigned 31 July 2023)
- Tatsuhiro Tamura (resigned 31 July 2023)
- Hailin Yu (resigned 31 July 2023)

Directors served for the whole year, and to the date of this report, except where otherwise indicated.

At no time during the year did any director have a material interest in any contract or arrangement which was significant in relation to the Company's business.

### Directors' and officers' insurance

The Group maintains an appropriate level of directors' and officers' insurance whereby directors are indemnified against liabilities to the extent permitted by the Companies Act.

The insurance is a group policy, held in the name of the ultimate parent, NWEN (Jersey), and is for the benefit of that company and all its subsidiaries, and was in place throughout the year and to the date of approval of this report.

### Independent auditors

PricewaterhouseCoopers LLP ("PwC"), Statutory Auditor, Manchester, United Kingdom has expressed its willingness to continue in office as independent auditors of the Group. In accordance with section 487 of the Companies Act 2006, PwC are deemed to be reappointed as independent auditors of the Company.

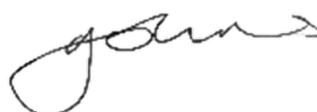
### Registered address

The Company is registered in England, the United Kingdom, at the following address:

ENW Capital Finance plc  
c/o Electricity North West  
Borron Street  
Stockport  
England  
SK1 2JD

Registered number: 06873051

Approved by the Board on 24 July 2024 and signed on its behalf by:



**Chris Johns**  
Director

## **Directors' Responsibilities Statement**

The directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 '*Reduced Disclosure Framework*', and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

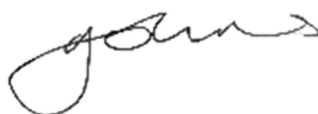
The directors are responsible for the maintenance and integrity of the information relating to the Company published on the ENWL website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **Directors' confirmations**

In the case of each director in office at the date this report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approved by the Board of Directors on 24 July 2024 and is signed on its behalf by:



**Chris Johns**  
Director

# Independent auditors' report to the members of ENW Capital Finance plc

## Report on the audit of the financial statements

### Opinion

In our opinion, ENW Capital Finance plc's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2024 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 March 2024; the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the company's ability to continue as a going concern. The shareholders of North West Electricity Networks (Jersey) Limited ("NWEN (Jersey)"), the company's ultimate parent undertaking, are currently undertaking a Strategic Review of their investment in the NWEN (Jersey) group, which includes the company. It is possible that this Strategic Review will result in the sale by NWEN (Jersey)'s shareholders of their investment in NWEN (Jersey). The Directors do not have certainty over the future actions and strategy of any potential acquirers, including their funding arrangements and Group structure plans, including plans for ENW Capital Finance plc. These conditions, along with the other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



# Independent auditors' report to the members of ENW Capital Finance plc (continued)

## Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

## Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 March 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

## Responsibilities for the financial statements and the audit

### Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise

# Independent auditors' report to the members of ENW Capital Finance plc (continued)

## Auditors' responsibilities for the audit of the financial statements (continued)

from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Companies Act 2006 and UK tax laws,, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inappropriate journal entries to improve financial performance, and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- challenging assumptions and judgements made by management in their significant accounting estimates;
- discussions with management, legal counsel and internal audit including consideration of known or suspected instances of non-compliance with laws and regulation or fraud;
- reviewing minutes of meetings of those charged with governance;
- auditing the calculations supporting tax balances and disclosures;
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- reviewing financial statements disclosures and testing to supporting documentation, where appropriate, to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

## Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

# Independent auditors' report to the members of ENW Capital Finance plc (continued)

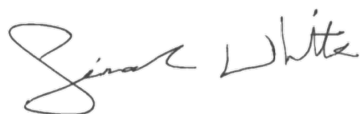
## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Simon White (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Manchester  
24 July 2024

## Income Statement

for the year ended 31 March 2024

For the years ended 31 March 2023 and 2024, there were no items of profit or loss, nor were there any items of other comprehensive income, therefore, no Income Statement or Statement of Comprehensive Income has been presented.

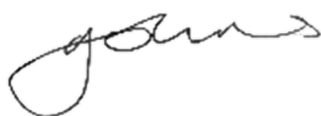
## Statement of Financial Position

as at 31 March 2024

	Note	2024 £000	2023 £000
<b>ASSETS</b>			
<b>Current assets</b>			
Amounts owed by parent undertaking	6	60	60
Cash and cash equivalents		14	14
<b>Total assets</b>		<b>74</b>	<b>74</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Amounts owed to parent undertaking	7	(14)	(14)
<b>Total liabilities</b>		<b>(14)</b>	<b>(14)</b>
<b>Net current assets and Net assets</b>		<b>60</b>	<b>60</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	13	13
Retained earnings		47	47
<b>Total shareholders' funds</b>		<b>60</b>	<b>60</b>

The notes on pages 12 to 16 form an integral part of these financial statements.

The financial statements of ENW Capital Finance plc (registered number 06873051), on pages 10 to 11, were approved and authorised for issue by the Board of Directors on 24 July 2024 and signed on its behalf by:



**Chris Johns**  
Director

**Statement of Changes in Equity**

for the year ended 31 March 2024

	<b>Called up share capital £000</b>	<b>Retained earnings £000</b>	<b>Total equity £000</b>
<b>At 1 April 2022</b>	13	47	60
Result and total comprehensive income for the financial year	-	-	-
<b>At 31 March and 1 April 2023</b>	<b>13</b>	<b>47</b>	<b>60</b>
Result and total comprehensive income for the financial year	-	-	-
<b>At 31 March 2024</b>	<b>13</b>	<b>47</b>	<b>60</b>

The notes on pages 12 to 17 form an integral part of these financial statements.

## Notes to the Financial Statements

ENW Capital Finance plc is a company incorporated and domiciled in the United Kingdom and registered in England and Wales under the Companies Act 2006.

The financial statements are presented in sterling, which is the functional currency of the Company. All values are stated in thousand pounds (£000) unless otherwise indicated.

The financial statements are prepared on the going concern basis. Further detail on the going concern assessment is contained in the Strategic Report, page 2, and in Note 2.

### 1. Adoption of new and revised standards

#### New and amended IFRS Standards that are effective for the current year

There are no new or amended Standards effective for the current year that impact the Company.

### 2. Material accounting policy information

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been applied consistently in the current year and the prior year.

#### Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101 '*Reduced Disclosure Framework*' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The Company has adopted FRS 101 on the basis that it meets the definition of a qualifying entity under FRS 100 '*Application of Financial Reporting Requirements*' and the financial statements have, therefore, been prepared in accordance with FRS 101, as issued by the Financial Reporting Council.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, '*Financial instruments: Disclosures*',
- The following paragraphs of IAS 1, '*Presentation of financial statements*': 10(d) statement of cash flows; 16 statement of compliance with all IFRS; 38B-D additional comparative information; 111 statement of cash flows information; and 134-136 capital management disclosures,
- IAS 7, '*Statement of cash flows*',
- Paragraphs 30 and 31 of IAS 8, '*Accounting policies, changes in accounting estimates and errors*' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective),
- Paragraph 17 of IAS 24, '*Related party disclosures*' (key management compensation),
- The requirements in IAS 24, '*Related party disclosures*', to disclose related party transactions entered into between two or more members of a group.

Where relevant, equivalent disclosures are given in the consolidated financial statements of NWEN plc, the Company's immediate parent; the consolidated financial statements of NWEN plc are available to the public and can be obtained as set out in Note 10.

All Company operations arise from its activities as a financing company in the North West of England. Accordingly, only one operating and geographic segment is reviewed by management.

## Notes to the Financial Statements (continued)

### 2. Material accounting policy information (continued)

#### Going concern

When considering whether to continue to adopt the going concern basis in preparing these 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); the key trading subsidiary in the Group is ENWL. In consideration of this, the directors of the Company are cognisant of the going concern assessments and conclusions related to going concern along with all related disclosures in the financial statements of both NWEN (Jersey), page 10, and ENWL, page 35, for the year ended 31 March 2024, the latter of which is available on the website [www.enwl.co.uk](http://www.enwl.co.uk).

The shareholders of NWEN (Jersey) are currently undertaking a Strategic Review of their investment in the Group, which includes the Company. It is possible that this Strategic Review will result in the sale by the Group's shareholders of some or all of the share capital of NWEN (Jersey).

The directors have considered the impact of the ongoing Strategic Review on the appropriateness of the going concern assumption for the Company. The directors have considered the two potential outcomes of the Strategic Review:

- In the event there is no sale, the directors are satisfied that the going concern basis of preparation remains appropriate, as the Company has adequate resources to continue in operational existence and meet its obligations as they fall due for at least the next 12 months from the date of approval of these financial statements.
- In the event there is a sale, any potential new shareholders are expected to continue to run the Group, including the Company, as a going concern. The directors expect that any sale made will only take place to reputable new shareholders. No additional financial support from the Group's shareholders is required for the Group to continue as a going concern, and the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future in this scenario. However, at the date of approval of these financial statements, the directors do not have certainty over the future actions and strategy of any acquirer, their funding arrangements or Group structure plans, including plans for the Company. This indicates the existence of a material uncertainty which may cast a significant doubt on the Company's ability to continue as a going concern. These financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Notwithstanding this uncertainty, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and meet its obligations as they fall due for the foreseeable future. In making this assessment, the Directors have considered the foreseeable future to be a period of at least 12 months from the date of approval of the financial statements, per the FRC guidelines. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

## Notes to the Financial Statements (continued)

### 2. Material accounting policy information (continued)

#### Taxation

The tax expense represents the sum of current and deferred tax charges for the financial year, adjusted for prior year items. There is no deferred tax in the Company.

#### Current taxation

Current tax is based on taxable profit for the year and is calculated using tax laws that have been enacted or substantively enacted by the balance sheet date. Taxable profit may differ from the net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

#### Cash and cash equivalents

Cash and cash equivalents include cash at bank and other short-term highly liquid investments which are readily convertible into known amounts of cash and have an original maturity of three months or less and which are subject to an insignificant risk of change in value.

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.



## Notes to the Financial Statements (continued)

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

In the application of the Company's accounting policies, which are described in Note 2, 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.

#### Critical judgements in applying the group's accounting policies

##### Recoverability of inter-company debtor

The recoverability of the inter-company debtor (Note 6) is a critical judgement that the directors have made in applying the Company's accounting policies and that has a significant effect on the amounts recognised in the financial statements. The amount recognised is due from North West Electricity Networks plc, the immediate parent company, is repayable on demand and the directors, who are directors of both these companies, are satisfied that the amount can be paid in full if requested.

#### Key sources of estimation uncertainty

The directors do not deem there to be any key sources of estimation uncertainty that affect the Company.

### 4. Operating result

Audit fees payable for the auditing of the financial statements to PricewaterhouseCoopers LLP of £21,860 for the year (2023: £15,667) were borne by another Group company and have not been recharged. In relation to year ended 31 March 2023, PwC charged an additional audit fee of £11,832 which was billed in 2024. Given the timing of the agreement of this fee, the amount was not included within the audit fee disclosed in 2023. It has been added to the 2024 fee of £10,028 increasing the total amount disclosed to £21,860. Total non-audit fees payable to the auditors in the year were £nil (2023: nil).

### 5. Directors and employees

The Company had no employees during the year (2023: none).

For the year ended 31 March 2023 and 2024, directors' costs were borne by another Group company which makes no recharge to the Company and it is not possible to make an accurate apportionment to the Company. Total directors' remuneration is disclosed in the financial statements of North West Electricity Networks plc, the parent company.

## Notes to the Financial Statements (continued)

### 6. Amounts owed by parent undertaking

	2024 £000	2023 £000
Amounts falling due within one year	60	60

Amounts owed by parent undertaking relate to amounts owed by North West Electricity Networks plc, under the inter-company loan that matured in June 2015. This is repayable on demand.

### 7. Amounts owed to parent undertaking

	2024 £000	2023 £000
Amounts falling due within one year	14	14

Amounts owed to parent undertaking relate to amounts owed to North West Electricity Networks plc, for group tax relief and are interest free and repayable on demand.

### 8. Financial commitments

At 31 March 2023 and 2024, there were no contracted for but not provided for financial commitments.

## Notes to the Financial Statements (continued)

### 9. Called up share capital

	2024 £000	2023 £000
<b>Authorised:</b>		
50,000 ordinary shares of £1 each	50	50
<b>Allotted, called up and fully paid:</b>		
50,000 ordinary shares of £1 each, of which £0.25 has been called up and paid	13	13

### 10. Ultimate parent undertaking and controlling party

The immediate parent undertaking is North West Electricity Networks plc ("NWEN plc"), a company incorporated and registered in the United Kingdom. The registered address of the immediate parent undertaking is Borron Street, Stockport, Cheshire, SK1 2JD. The smallest group in which the results of the Company are consolidated is that headed by NWEN plc; those consolidated financial statements can be obtained from the above address.

The ultimate parent undertaking is North West Electricity Networks (Jersey) Limited ("NWEN (Jersey)"), a company incorporated and registered in Jersey. The address of the ultimate parent company is: 44 Esplanade, St Helier, Jersey, Channel Islands, JE4 9WG. This is the largest group in which the results of the Company are consolidated.

At 31 March 2023 and 2024, the ownership of the shares in NWEN (Jersey) was as follows:

- 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%).

As no individual shareholder owned over 50%, there was no ultimate controlling party.