

NORTHERN POWERGRID HOLDINGS COMPANY
HALF-YEARLY FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2022

INTERIM MANAGEMENT REPORT

Cautionary Statement

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

Business Model

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

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

On 29 June 2022, the CalEnergy Resources (Australia) Limited acquired two solar assets for A\$236.2 million comprising Gunnedah Solar Farm and Suntop Solar Farm from Canadian Solar Energy Holding Singapore Pte Ltd. The Company is part of the Northern Powergrid Holdings Company group.

Results for the six months ended 30 June 2022

During the period ended 30 June 2022, the Group made a profit after tax of £132.4 million; this was £90.4 million higher than the 6 months ended 30 June 2021 and was mainly as a result of higher gross margins and the impact of change in tax legislation in the prior period partially offset by higher operating expenses, including depreciation and storm costs.

Revenue

Revenue at £542.5 million was £95.6 million higher than for the six months ended 30 June 2021 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 the start of gas production in the North Sea.

Cash flow

Cash and cash equivalents as at 30 June 2022 were £269.0 million, representing an increase of £239.9 million when compared with the position at 31 December 2021. This compares with a decrease of £44.9 million in the comparative six month period, primarily due to higher 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.

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 £132.4 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 2021, 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 2022.

Going concern

In the Group's latest annual reports and accounts for the year to 31 December 2021 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 2022, which alter the view expressed in the annual reports and accounts to 31 December 2021.

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 2022; 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

12 September 2022

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS - SIX MONTHS
ENDED 30 JUNE 2022**

	6 Months ended 30 June 2022 Unaudited £m	6 Months ended 30 June 2021 Unaudited £m
Revenue	542.5	446.9
Cost of sales	<u>(61.1)</u>	<u>(21.2)</u>
Gross profit	481.4	425.7
Operating expenses	<u>(268.6)</u>	<u>(227.9)</u>
Operating profit	212.8	197.8
Other gains	0.3	0.3
Finance income	0.9	0.9
Finance costs	<u>(49.2)</u>	<u>(44.8)</u>
Profit before tax	164.8	154.2
Income tax expense	<u>(32.4)</u>	<u>(112.2)</u>
Profit from ordinary activities after tax	<u>132.4</u>	<u>42.0</u>
Owners of the parent	131.1	41.6
Non-controlling interests	<u>1.3</u>	<u>0.4</u>
	<u>132.4</u>	<u>42.0</u>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS - SIX MONTHS
ENDED 30 JUNE 2022**

	6 Months ended 30 June 2022 Unaudited £m	6 Months ended 30 June 2021 Unaudited £m
PROFIT FOR THE PERIOD	132.4	42.0
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently to profit or loss:		
Employee benefit obligation	20.9	28.9
Income tax relating to items of other comprehensive income	(5.2)	(5.5)
	<u>15.7</u>	<u>23.4</u>
Items that may be reclassified subsequently to profit or loss:		
Exchange difference on translation of foreign operations	0.3	(0.3)
Cash flow hedge	11.8	1.8
Income tax relating to items of other comprehensive income	(3.0)	(0.2)
	<u>9.1</u>	<u>1.3</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	<u>24.8</u>	<u>24.7</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>157.2</u>	<u>66.7</u>
Owners of the parent	155.9	66.3
Non-controlling interests	<u>1.3</u>	<u>0.4</u>
	<u>157.2</u>	<u>66.7</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - SIX MONTHS ENDED 30 JUNE 2022

	30 June 2022	31 December 2021
	Unaudited £m	£m
ASSETS		
NON-CURRENT ASSETS		
Goodwill	248.8	248.8
Intangible assets	46.5	49.1
Property, plant and equipment	7,505.6	7,029.1
Right of use assets	25.3	24.1
Investments	4.2	3.9
Pension asset	285.8	262.2
Derivative asset	11.4	0.9
Tax asset	0.7	0.4
Trade and other receivables	4.0	2.7
	<u>8,132.3</u>	<u>7,621.2</u>
CURRENT ASSETS		
Inventories	23.4	20.9
Trade and other receivables	192.5	165.8
Contract assets	7.8	7.6
Derivative asset	1.5	0.2
Tax receivables	5.0	3.1
Cash and cash equivalents	269.0	29.1
Restricted cash	2.5	-
	<u>501.7</u>	<u>226.7</u>
TOTAL ASSETS	<u>8,634.0</u>	<u>7,847.9</u>
EQUITY		
SHAREHOLDERS' EQUITY		
Share capital	354.6	354.6
Share premium account	(0.8)	(0.8)
Hedging reserves	9.7	0.9
Foreign exchange reserves	(0.9)	(1.2)
Retained earnings	2,923.0	2,776.2
	<u>3,285.6</u>	<u>3,129.7</u>
Non Controlling Interest	40.0	38.7
TOTAL EQUITY	<u>3,325.6</u>	<u>3,168.4</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - SIX MONTHS ENDED 30 JUNE 2022

	30 June 2022	31 December 2021
	Unaudited £m	£m
LIABILITIES		
NON-CURRENT LIABILITIES		
Deferred revenue	1,490.3	1,486.5
Borrowings	2,539.1	2,074.9
Lease liabilities	19.4	18.6
Deferred tax	385.5	359.8
Provisions	68.4	12.0
	<u>4,502.7</u>	<u>3,951.8</u>
CURRENT LIABILITIES		
Trade and other payables	253.4	226.4
Deferred revenue	66.8	66.2
Borrowings	451.2	423.5
Lease liabilities	6.5	6.2
Provisions	27.8	5.4
	<u>805.7</u>	<u>727.7</u>
TOTAL LIABILITIES	<u>5,308.4</u>	<u>4,679.5</u>
TOTAL EQUITY AND LIABILITIES	<u>8,634.0</u>	<u>7,847.9</u>

The interim financial statements were approved by the board of directors and authorised for issue on 12 September 2022 and were signed on its behalf by:

A P Jones
Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - SIX MONTHS ENDED 30 JUNE 2022

	Share Capital £m	Share Premium Account £m	Other Reserves £m	Retained Earnings £m	Total £m
Balance at 1 January 2022	354.6	(0.8)	(0.3)	2,776.2	3,129.7
Profit for the period (unaudited)	-	-	-	131.1	131.1
Other comprehensive income (unaudited)	-	-	8.8	15.7	24.5
Foreign exchange translation adjustment (unaudited)	-	-	0.3	-	0.3
Balance at 30 June 2022	354.6	(0.8)	8.8	2,923.0	3,285.6
				Non- Controlling Interests £m	Total Equity £m
Balance at 1 January 2022				38.7	3,168.4
Profit for the period (unaudited)				1.3	132.4
Other comprehensive income (unaudited)				-	24.5
Foreign exchange translation adjustment (unaudited)				-	0.3
Balance at 30 June 2022				40.0	3,325.6

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - SIX MONTHS ENDED 30 JUNE 2022 (CONTINUED)

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

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - SIX MONTHS ENDED 30 JUNE 2022 (CONTINUED)

	Share Capital £m	Share Premium Account £m	Other Reserves £m	Retained Earnings £m	Total £m
Balance at 1 January 2021	354.6	(0.8)	(3.9)	2,491.6	2,841.5
Profit for the year	-	-	-	154.3	154.3
Other comprehensive income	-	-	3.6	130.3	133.9
Dividends paid	-	-	-	-	-
Equity dividends paid	-	-	-	-	-
Foreign exchange translation adjustment	-	-	-	-	-
Balance at 31 December 2021	354.6	(0.8)	(0.3)	2,776.2	3,129.7

	Non- Controlling Interests £m	Total Equity £m
Balance at 1 January 2021	37.5	2,879.0
Profit for the year	1.6	155.9
Other comprehensive income	-	133.9
Equity dividends paid	(0.4)	(0.4)
Foreign exchange translation adjustment	-	-
Balance at 31 December 2021	38.7	3,168.4

CONSOLIDATED CASH FLOW STATEMENT

	6 Months ended 30 June 2022 Unaudited £m	6 Months ended 30 June 2021 Unaudited £m
Cash flows from operating activities		
Profit for the year	132.4	42.0
Depreciation and amortisation	172.4	138.2
Amortisation of deferred revenue	(32.9)	(32.1)
Profit on disposal of property, plant & equipment	(0.3)	(0.3)
Retirement benefit obligation	(1.9)	(7.7)
Finance income	(0.9)	(0.9)
Finance costs	49.2	44.8
Income tax expense	32.4	112.2
	350.4	296.2
Increase in inventories	(2.5)	(0.5)
(Increase)/decrease in trade and other receivables	(28.0)	16.4
Increase in contract assets	(0.2)	(1.0)
Increase/(decrease) in trade and other payables	30.8	(7.5)
Decrease in provisions	(2.6)	(1.2)
	347.9	302.4
Cash inflow from operating activities	347.9	302.4
Net interest paid	(34.3)	(31.7)
Tax paid	(34.2)	(28.4)
	(34.2)	(28.4)
Net cash from operating activities	279.4	242.3
Investing activities		
Proceeds from disposal of property, plant and equipment	0.3	0.3
Purchase of property, plant and equipment	(444.3)	(301.1)
Purchase of intangible assets	(3.2)	(4.7)
Investment in associate	(1.3)	(1.4)
Receipt of customer contributions	54.2	43.8
	54.2	43.8
Net cash used in investing activities	(394.3)	(263.1)
Financing activities		
Issue of long-term borrowings	346.3	-
Repayment of long-term borrowings	-	(14.5)
Movement of short-term borrowings	12.1	(6.2)
Lease payment	(3.6)	(3.4)
	(3.6)	(3.4)
Net cash generated/(used in) from financing activities	354.8	(24.1)
Net increase/(decrease) in cash and cash equivalents	239.9	(44.9)
Cash and cash equivalents at beginning of period	29.1	57.2
Cash and cash equivalents at end of period	269.0	12.3

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The information included within these condensed financial statements for the year ended 31 December 2021 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 2021 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 2022, which alter the view expressed in the annual reports and accounts to 31 December 2021.

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 2021, 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 2022 has had a material effect on the financial statements:

- Amendments to IFRS 3 – Reference to the Conceptual Framework;
- Amendments to IAS 16 – Proceeds before Intended Use; and
- Amendments to IAS 37 – Onerous Contracts (Cost of fulfilling a contract).

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 2022 (unaudited):

	Distribution £m	Other £m	Total £m
REVENUE			
External sales	472.9	69.6	542.5
Inter-segment sales	0.4	(0.4)	-
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 gains			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 following is an analysis of the Group's revenue and results by reportable segment in the six months ended 30 June 2021 (unaudited):

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

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

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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

3. SEGMENTAL ANALYSIS (CONTINUED)

The 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 2022 Unaudited £m	31 December 2021 £m
Distribution	5,089.0	4,878.4
Other	<u>693.2</u>	<u>538.6</u>
Total net assets by segment	5,782.2	5,417.0
Unallocated net corporate liabilities	<u>(2,456.6)</u>	<u>(2,248.7)</u>
Total net assets	<u><u>3,325.6</u></u>	<u><u>3,168.3</u></u>

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

4. INCOME TAX EXPENSE

Tax for the six-month period ended 30 June 2022 is charged at 19.7% (six months ended 30 June 2021: 72.8%). 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, the prior year included the impact of the rate change enacted in June 2021.

	6 months ended 30 June 2022 Unaudited £m	6 months ended 30 June 2021 Unaudited £m
Current tax	32.3	29.4
Deferred tax	<u>0.1</u>	<u>82.7</u>
Total income tax expense	<u>32.4</u>	<u>112.2</u>

Finance Act 2021 was enacted on the 10 June 2021 and the impact of the Finance Act has increased the rate of corporation tax from 19% to 25% from 1 April 2023. As a result, deferred tax balances have been re-measured at the 25% rate and this remeasurement gave rise to an increased deferred tax liability of £83.5m (for the six-months ended 30 June 2021) which is reflected within the above tax charge.

There is no uncertainty over the acceptable income tax treatment. Should any uncertainties arise, the 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 2022 (six months ended 30 June 2021: £nil)

6. RETIREMENT BENEFIT SCHEMES

The defined benefit obligation as at 30 June 2022 is calculated on a year-to-date basis, using the annual actuarial valuation as at 31 December 2021. The latest triennial valuation carried out by AON was on the 31 March 2019 and was concluded in 2020. There have not been any significant fluctuations or one-time events since that time that would require adjustment to the actuarial assumptions made at June 2022.

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 2022	31 December 2021	30 June 2022	31 December 2021
	Unaudited £m	Unaudited £m	Unaudited £m	Unaudited £m
Financial liabilities				
Short-term loans	12.8	0.3	12.8	0.3
Bank overdraft	-	0.4	-	0.4
Bond 2022 – 7.25% (Northern Powergrid Holdings Company)	207.5	199.8	207.9	200.6
Bond 2025 – 2.5% (Northern Powergrid (Yorkshire) plc)	150.1	151.9	146.9	157.0
CalEnergy Resources Limited - 2025	137.1	-	137.1	-
Amortised loan 2026 – 2.5041%* (Northern Powergrid Metering Ltd)	194.1	212.4	195.9	218.2
Bond 2028 – 7.25% (Yorkshire Power Finance Limited)	200.0	193.5	234.7	251.3
Bond 2032 4.375% (Northern Powergrid (Yorkshire) plc)	154.5	151.2	163.1	184.9
Bond 2035 – 5.125% (Northern Electric Finance plc)	149.3	153.4	165.2	204.2
Bond 2035 – 5.125% (Northern Powergrid (Yorkshire) plc)	199.2	204.5	220.2	272.0
Bond 2049 – 2.750% (Northern Electric Finance plc)	148.0	150.0	118.1	172.2
Bond 2052 – 3.250% (Northern Electric Finance plc)	349.1	-	299.7	-
Bond 2059 – 2.250% (Northern Powergrid (Yorkshire) plc)	298.7	295.3	203.4	313.5
Bond 2062 – 1.875% (Northern Powergrid (Northeast) plc)	294.8	297.6	177.8	289.9
EIB loans 2022 – 4.133%	156.9	153.8	156.9	153.8
EIB loans 2027 – 2.564%	253.5	250.3	241.0	262.7
EIB loans 2025 – 2.073%	50.6	50.1	48.4	51.0
Cumulative preference shares	34.1	34.1	55.9	51.5
	<u>2,990.3</u>	<u>2,498.4</u>	<u>2,785.0</u>	<u>2,783.6</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>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>Six months ended 30 June</i>				
<i>2021:</i>				
Immediate Parent Companies*	-	-	16.4	-
Vehicle Lease and Service Limited	-	6.5	0.1	-
	<u>-</u>	<u>6.5</u>	<u>0.1</u>	<u>-</u>
	<u>-</u>	<u>6.5</u>	<u>16.5</u>	<u>-</u>
<i>Year ended 31 December</i>				
<i>2021:</i>				
Immediate Parent Companies*	-	-	24.6	-
Vehicle Lease and Service Limited	-	9.9	0.2	-
	<u>-</u>	<u>9.9</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:

Related party	Amounts owed from/(to) related parties £m	Interest from/(to) related parties £m	Dividends from/(to) related parties £m
<i>Six months ended 30 June 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>Six months ended 30 June 2021:</i>			
Immediate Parent Companies*	(14.1)	-	-
Northern Powergrid (Northeast) plc	112.0	2.9	-
CalEnergy Resources Limited	213.9	3.5	-
Yorkshire Electricity Group plc	72.0	1.0	-
	<u>383.8</u>	<u>7.4</u>	<u>-</u>
<i>Year ended 31 December 2021:</i>			
Immediate Parent Companies*	(18.8)	-	-
Northern Powergrid UK Holdings	-	-	32.2
Northern Powergrid (Northeast) plc	100.0	5.9	-
CalEnergy Resources Limited	259.4	7.8	-
Yorkshire Electricity Group plc	50.3	1.9	-
	<u>390.9</u>	<u>15.6</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.