REGISTERED NUMBER: 02366942

NORTHERN ELECTRIC plc

HALF-YEARLY FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2018

Cautionary Statement

This interim management report has been prepared solely to provide additional information to shareholders to assess the business 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 group of companies (the "Northern Powergrid Group") and its principal activity during the six months to 30 June 2018 was to act as a holding company, with its main operating subsidiaries being Northern Powergrid (Northeast) Limited ("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 smart meters to energy suppliers.

Results for the six months ended 30 June 2018

The Group delivered a satisfactory performance for the six months ended 30 June 2018, although profit after tax reduced by £1.9 million when compared to the previous year mainly as a result of higher depreciation partly offset by higher smart meter rental revenue.

IUS continued to operate its engineering contracting business although saw a decrease in revenues in the six months to 30 June 2018.

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 and Ireland and also to develop further opportunities with other energy suppliers.

Revenue

Revenue at £206.2 million was £6.8 million higher than for the six months ended 30 June 2017 mainly due to_higher smart meter rental revenue and distribution revenue, partly offset by lower contracting revenues.

Cash flow

Cash and cash equivalents as at 30 June 2018 were £15.9 million, representing a decrease of £0.7 million when compared with the position at 31 December 2017.

Northern Powergrid has access to £75.0 million under a five-year committed revolving credit facility provided by Lloyds Bank plc, Royal Bank of Scotland plc and Abbey National Treasury Services plc, which is due to expire on 30 April 2020.

In addition, the Group has access to short-term borrowing facilities provided by Yorkshire Electricity Group plc, a related party, and to a £22 million overdraft facility provided by Lloyds Bank plc.

Financial position
Profit before tax at £68.7 million was £2.8 million lower than the six months ended 30 June 2017 mainly as a result of higher depreciation and higher operating costs, partly offset by higher smart metering rental income.

Dividends
No ordinary dividends were paid in the period resulting in £55.2 million being transferred to reserves.

Related party transactions
The Company provides certain corporate functions to the Northern Powergrid Group, including financial accounting and planning, treasury, taxation, pensions, internal audit, legal advice, insurance management, claims handling and litigation services.

Further details of the related party transactions entered into by the Group and the Company and changes therein are included in Note 8 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 2017, which is available at www.northernpowergrid.com.

It is anticpated that these risks will continue to be the principal risks facing the business for the remaining six months of 2018.

Going concern
In the Group's latest annual reports and accounts for the year to 31 December 2017 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 2018, which alter the view expressed in the annual reports and accounts to 31 December 2017.

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 finanical 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 DTR 4.2.4R for the six months to 30 June 2018;
(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

P A Jones
Director

7 September 2018

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS - SIX MONTHS ENDED 30 JUNE 2018

	6 Months ended 30 June 2018 (unaudited) £m	6 Months ended 30 June 2017 (unaudited) £m
Revenue	206.2	199.4
Cost of sales	(16.0)	(22.0)
Gross profit	190.2	177.4
Operating expenses	(100.0)	(86.7)
Operating profit	90.2	90.7
Other gains	-	0.1
Finance income	0.8	0.5
Finance costs	(22.3)	(19.8)
Profit before tax	68.7	71.5
Income tax expense	(13.5)	(14.4)
Profit from ordinary activities after tax	55.2	57.1

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME - SIX MONTHS ENDED 30 JUNE 2018

	6 Months ended 30 June 2018 (unaudited) £m	6 Months ended 30 June 2017 (unaudited) £m
PROFIT FOR THE PERIOD	55.2	57.1
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently to profit or loss:		
Employee benefit obligation	5.8	19.1
Income tax relating to items of other comprehensive income	(0.9)	(3.2)
	4.9	15.9
Items that may be reclassified subsequently to profit or loss:		
Cash flow hedge	1.5	-
Income tax relating to items of other comprehensive income	(0.2)	-
	1.3	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	6.2	15.9
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	61.4	73.0

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - SIX MONTHS ENDED 30 JUNE 2018

	30 June 2018 (unaudited) £m	31 December 2017 £m
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	49.2	47.5
Property, plant and equipment	2,628.0	2,551.5
Investments	3.8	3.4
Pension asset	138.5	116.9
Derivative asset	1.0	-
Trade and other receivables	8.2	6.4
	2,828.7	2,725.7
CURRENT ASSETS		
Inventories	12.4	13.4
Trade and other receivables	71.6	94.3
Derivative asset	0.2	-
Restricted cash	13.8	2.2
Cash and cash equivalents	15.9	16.6
	113.9	126.5
TOTAL ASSETS	2,942.6	2,852.2
EQUITY		
SHAREHOLDERS' EQUITY		
Share capital	72.2	72.2
Share premium account	158.7	158.7
Hedging reserves	1.0	(0.3)
Other reserves	6.2	6.2
Retained earnings	935.0	874.9
TOTAL EQUITY	1,173.1	1,111.7

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - SIX MONTHS ENDED 30 JUNE 2018

	30 June 2018 (unaudited) £m	31 December 2017 £m
LIABILITIES		
NON-CURRENT LIABILITIES		
Trade and other payables	594.0	584.3
Borrowings	681.2	694.1
Derivative liability	-	0.3
Deferred tax	106.8	102.6
Provisions	1.8	1.7
	1,383.8	1,383.0
CURRENT LIABILITIES		
Trade and other payables	114.4	144.9
Borrowings	263.8	204.0
Tax payable	6.3	7.4
Provisions	1.2	1.2
	385.7	357.5
TOTAL LIABILITIES	1,769.5	1,740.5
TOTAL EQUITY AND LIABILITIES	2,942.6	2,852.2

The interim financial statements were approved by the board of directors and authorised for issue on 7 September 2018 and were signed on its behalf by:

P A Jones
Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - SIX MONTHS ENDED 30 JUNE 2018

	Share Capital £m	Share Premium Account £m	Other Reserves £m	Hedging Reserves £m	Retained Earnings £m	**Total £m**
Balance at 1 January 2018	72.2	158.7	6.2	(0.3)	874.9	**1,111.7**
Profit for the period (unaudited)	-	-	-		55.2	**55.2**
Other comprehensive income (unaudited)	-	-	-	1.3	4.9	**6.2**
Balance at 30 June 2018	72.2	158.7	6.2	1.0	935.0	**1,173.1**

	Share Capital £m	Share Premium Account £m	Other Reserves £m	Hedging Reserves £m	Retained Earnings £m	**Total £m**
Balance at 1 January 2017	72.2	158.7	6.2	-	737.6	**974.7**
Profit for the period (unaudited)	-	-	-	-	57.1	**57.1**
Other comprehensive income (unaudited)	-	-	-	-	15.9	**15.9**
Balance at 30 June 2017	72.2	158.7	6.2	-	810.6	**1,047.7**

	Share Capital £m	Share Premium Account £m	Other Reserves £m	Hedging Reserves £m	Retained Earnings £m	**Total £m**
Balance at 1 January 2017	72.2	158.7	6.2	-	737.6	**974.8**
Profit for the period	-	-	-		111.5	**111.5**
Dividends					(22.7)	**(22.7)**
Other comprehensive income	-	-	-	(0.3)	48.5	**48.2**
Balance at 31 December 2017	72.2	158.7	6.2	(0.3)	874.9	**1,111.7**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 Months ended 30 June 2018 (unaudited) £m	6 Months ended 30 June 2017 (unaudited) £m
Cash generated from operations	138.9	121.8
Net interest paid	(19.2)	(18.2)
Tax paid	(11.6)	(12.6)
Net cash from operating activities	108.1	91.0
Investing activities		
Proceeds from disposal of property, plant and equipment	-	0.2
Purchase of property, plant and equipment	(154.1)	(142.0)
Purchase of intangible assets	(5.3)	(3.6)
Dividends received from joint venture	-	-
Receipt of customer contributions	17.7	4.7
Net cash used in investing activities	(141.7)	(140.7)
Financing activities		
Movement in external loans	0.3	-
Movement in loans from group undertakings	44.3	49.8
Movement in restricted cash	(11.7)	-
Net cash generated by financing activities	32.9	49.8
Net (decrease)/increase in cash and cash equivalents	(0.7)	0.1
Cash and cash equivalents at beginning of period	16.6	0.5
Cash and cash equivalents at end of period	15.9	0.4

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 2017, 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 European Union. 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 European Union.

Going concern
In the Company's latest annual reports and accounts for the year to 31 December 2017 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 2018, which alter the view expressed in the annual reports and accounts to 31 December 2017.

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 2017, with the only changes being outlined below.

Application of new and revised IFRS
In the current year, the company has a number of amendments to IFRS by the International Accounting standards Board ("IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2018:

IFRS 9- Financial Instruments	A revised version of IFRS 9 was issued to mainly include impairment requirements for financial assets, and amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income measurement category for certain simple debt instruments. The application of these amendments has had no material impact on the Company's financial statements.
IFRS 15- Revenue from contracts with customers	Under IFRS 15, an entity recognises revenue when a performance obligation is satisfied. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15. The application of these amendments has had no material impact on the

Company's financial statements.

New and revised standards in issue but not yet effective
The Company has not yet applied the following new and revised IFRSs that have been issued but not yet effective for the period ended 30 June 2018:

IFRS 16- Leases (1 January 2019)	IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 Leases and the related interpretations when it becomes effective. IFRS 16 distinguishes between leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions between operating leases and finance leases are removed for lessee accounting, and is replaced by a model where right-of-use asset and a corresponding liability have to be recognised for all leases by lessees except for short term leases and leases of low-value assets. As at 30 June 2018, the Company had non-cancellable operating lease commitments of £11.6 million, IAS 17 does not require recognition of any right-of-use asset or liability for future lease payments for these leases. A preliminary assessment indicated that these arrangements will meet the definition of a lease under IFRS 16, and hence the Company will recognise a right-of-use asset and corresponding liability in respect of all these leases unless they qualify for low-value or short-term leases upon the application of IFRS 16.

1. 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 2018 (unaudited):

	Distribution £m	Contracting £m	Metering £m	Other £m	Consolidation Adjustments £m	**Total £m**
REVENUE						
External sales	167.4	10.0	26.1	2.7		**206.2**
Inter-segment sales	0.2	1.9	-	(0.3)	(1.8)	-
Total Revenue	167.6	12.0	26.1	2.4	(1.8)	**206.2**
SEGMENT RESULTS						
Operating profit	65.8	(0.2)	9.2	(0.4)	15.8	**90.2**
Other gains						-
Finance income						**0.8**
Finance costs						**(22.3)**
Profit before tax						**68.7**
OTHER INFORMATION						
Capital additions	88.6	0.1	48.8	-	(0.9)	**136.6**
Depreciation and amortisation	44.0	-	16.1	-	(0.9)	**59.2**
Amortisation of deferred revenue	11.1	-	-	-	-	**11.1**

External sales to RWE Npower plc in the six months ended 30 June 2018 represented 20.9% of revenue within the Distribution segment.

External sales to British Gas Ltd in the six months ended 30 June 2018 represented 14.6% of revenue within the Distribution segment.

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 2017 (unaudited):

	Distribution £m	Contracting £m	Metering £m	Other £m	Consolidation Adjustments £m	Total £m
REVENUE						
External sales	164.8	16.0	15.9	2.7	-	199.4
Inter-segment sales	0.3	12.6	-	(0.3)	(2.6)	-
Total Revenue	165.1	18.6	15.9	2.4	(2.6)	199.4
SEGMENT RESULTS						
Operating profit	73.6	0.4	6.2	(1.9)	12.4	90.7
Other gains						0.1
Finance income						0.5
Finance costs						(19.8)
Profit before tax						71.5
OTHER INFORMATION						
Capital additions	92.8	-	64.3	-	(0.5)	156.6
Depreciation and amortisation	40.2	-	9.4	-	(0.8)	48.8
Amortisation of deferred revenue	10.3	-	-	-	-	10.3

External sales to RWE Npower plc in the six months ended 30 June 2017 represented 20.9% of revenue within the Distribution segment.

External sales to British Gas Ltd in the six months ended 30 June 2017 represented 14.6% of revenue within the Distribution segment.

"Other" comprises business support units. However, in the segmental analysis for June 2017 half-yearly financial report "Other" also comprised smart meter rental, the increase in revenue within smart meter rental now requires it to be reported separately and the comparatives have been restated to reflect this.

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

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 2018 Unaudited £m	31 December 2017 £m
Distribution	1,796.3	1,768.1
Contracting	3.3	7.9
Metering	315.1	255.5
Other	8.3	10.7
Consolidation Adjustments	(48.0)	55.2
Total net assets by segment	2,075.0	2,097.4
Unallocated net corporate liabilities	(901.9)	(985.7)
Total net assets	1,173.1	1,111.7

Unallocated net corporate liabilities include cash and cash equivalents of £15.9 million (December 2017: £16.6 million), borrowings of £930.4 million (December 2017: £742.8 million), retirement benefit asset of £138.5 million (December 2017: £116.9 million), and taxation of £113.1 million (December 2017: £110.0 million).

2. INCOME TAX EXPENSE

Tax for the six month period ended 30 June 2018 is charged at 19.00% (six months ended 30 June 2017: 19.25%; year ended 31 December 2017: 19.25%) which represents the best estimate of the average annual effective tax rate expected for the full year, as applied to the pre-tax income of the six month period.

	6 months ended 30 June 2018 Unaudited £m	6 months ended 30 June 2017 Unaudited £m
Current tax	10.4	12.0
Deferred tax	3.1	2.4
Total income tax expense	13.5	14.4

The Finance No2 Act 2015 reduced the rate of corporation tax to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020. The Finance Act 2016, which was substantively enacted on 6 September, 2016 further reduced the rate of corporation tax effective from 1 April 2020 to 17%. Accordingly deferred tax assets and liabilities have been calculated at the tax rates which will be in force when the underlying temporary differences are expected to reverse.

3. NOTES TO THE CASH FLOW STATEMENT

	6 Months ended 30 June 2018 (unaudited) £m	6 Months ended 30 June 2017 (unaudited) £m
Profit before income tax	68.7	71.6
Depreciation charges	59.2	48.8
Profit on disposal of fixed assets	-	(0.1)
Amortisation of deferred revenue	(11.1)	(10.3)
Retirement benefit obligations	(15.5)	(13.7)
Movement in provisions	0.1	0.1
Finance costs	22.3	19.8
Finance income	(0.8)	(0.5)
	122.9	115.7
Decrease in inventories	1.0	0.9
Decrease in trade and other receivables	20.7	9.7
Decrease in trade and other payables	(5.7)	(4.5)
Cash generated from operations	138.9	121.8

4. RETIREMENT BENEFIT SCHEMES

The defined benefit obligation as at 30 June 2018 is calculated on a year-to-date basis, using the annual actuarial valuation as at 31 December 2017. The triennial valuation as at 31 March 2016 was finalised in September 2017. 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 2018.

5. 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 2018 Unaudited £m	31 December 2017 £m	30 June 2018 Unaudited £m	31 December 2017 £m
Financial liabilities				
Short term loan	-	-	-	-
Inter-company short-term loan	188.1	141.5	188.1	141.4
Bond 2020 – 8.875% (Northern Electric Finance plc)	105.9	101.3	122.9	122.8
Bond 2035 – 5.125% (Northern Electric Finance plc)	149.3	153.0	196.3	207.2
Amortising loan 2026- 2.736%	195.6	155.3	200.0	155.3
EIB Loan (2018-2020)*	80.3	123.5	82.4	127.9
EIB Loan 2027 – 2.564% (Northern Powergrid (Northeast) Ltd	121.7	120.1	128.5	129.3
Yorkshire Electricity Group plc 2037 – 5.9%	102.9	100.0	147.2	149.8
Cumulative preference shares	3.4	3.4	177.8	182.6
	947.2	898.1	1,243.2	1,216.3

* The borrowings from the European Investment Bank were drawn down in twelve tranches, repayable in 2018, 2019 and 2020. The spread of interest rate is as follows:

2018: 3.901% - 4.283%
2019: 4.077% - 4.455%
2020: 4.227% - 4.586%

6. RELATED PARTY TRANSACTIONS

Group

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

Related party	Sales to related parties £m	Purchases from related parties £m	Amounts owed to related parties £m	Borrowings from related parties £m	Finance income/ (costs) from/(to) related parties £m
Six months ended 30 June 2018:					
Northern Powergrid Limited	-	-	-	-	(3.1)
Northern Powergrid (Yorkshire) plc	10.9	7.2	-	-	-
Vehicle Lease and Service Limited	0.1	2.3	0.2	-	-
Yorkshire Electricity Group plc	-	-	-	291.0	(3.4)
	11.0	9.5	0.2	291.0	(6.5)
Six months ended 30 June 2017:					
Northern Powergrid Limited	-	-	-	-	(3.1)
Northern Powergrid (Yorkshire) plc	10.7	6.2	-	-	-
Vehicle Lease and Service Limited	0.1	2.3	0.3	-	-
Yorkshire Electricity Group plc	-	-	-	102.9	(3.4)
	10.8	8.5	0.3	102.9	(6.5)

8. RELATED PARTY TRANSACTIONS (CONTINUED)

Group - continued

Related party	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
Year ended 31 December 2017:					
Integrated Utility Services Limited (registered in Eire)	-	3.3	0.2	-	-
Northern Powergrid Gas Limited	0.1	-	-	-	-
Northern Powergrid Insurance Services Limited	-	-	-	-	-
Northern Powergrid Limited	-	-	-	-	(6.2)
Northern Powergrid (Yorkshire) plc	24.1	12.7	-	-	-
Vehicle Lease and Service Limited	-	4.6	0.4	-	0.5
Yorkshire Electricity Group plc	-	-	-	(241.5)	(7.2)
	24.2	20.6	0.6	(241.5)	(12.9)

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

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

During the six months ended 30 June 2018 two directors (six months ended 30 June 2017: 2, year ended 31 December 2017: 2) utilised the services provided by Northern Transport Finance Limited, a subsidiary company.

8. RELATED PARTY TRANSACTIONS (CONTINUED)

Company

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

Related party	Sales to related parties £m	Purchases from related parties £m	Borrowings from related parties £m	Finance income/ (costs) from/(to) related parties £m
Six months ended 30 June 2018:				
Integrated Utility Services Limited	-	0.4	-	-
Northern Powergrid Gas Limited	0.1	-	-	-
Northern Powergrid Limited	-	-	-	(3.1)
Northern Powergrid (Northeast) Limited	3.2	-	-	-
Northern Powergrid (Yorkshire) plc	2.0	-	-	-
Vehicle Lease and Service Limited	0.1	-	-	-
Yorkshire Electricity Group plc	-	-	89.5	(0.3)
	5.4	0.4	89.5	(3.4)
Six months ended 30 June 2017:				
Integrated Utility Services Limited	-	0.3	-	-
Northern Powergrid Gas Limited	0.1	-	-	-
Northern Powergrid Limited	-	-	-	(3.1)
Northern Powergrid (Northeast) Limited	3.2	-	-	-
Northern Powergrid (Yorkshire) plc	2.0	-	-	-
Vehicle Lease and Service Limited	0.1	-	-	-
Yorkshire Electricity Group plc	-	-	30.1	-
	5.4	0.3	30.1	(3.1)

8. RELATED PARTY TRANSACTIONS (CONTINUED)

Company – continued

Related party	Sales to related parties £m	Purchases from related parties £m	Amounts owed to related parties £m	Borrowings from related parties £m	Finance income/ (costs) from/(to) related parties £m
Year ended 31 December 2017:					
Integrated Utility Services Limited	0.1	0.6	-	-	-
Northern Powergrid Gas Limited	0.1	-	-	-	-
Northern Powergrid Limited	-	-	-	-	(6.2)
Northern Powergrid (Northeast) Limited	6.0	-	-	-	21.7
Northern Powergrid (Yorkshire) plc	3.5	-	-	-	-
Vehicle Lease and Service Limited	0.2	-	-	-	0.5
Yorkshire Electricity Group plc	-	-	-	72.3	0.4
	9.9	0.6	-	72.3	16.4

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

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