

Registered No. NI607246

NIE Finance PLC

Annual Report and Financial Statements

For the year ended 31 December 2023

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NIE Finance PLC STRATEGIC REPORT

The directors of NIE Finance PLC (the Company) present their Strategic Report for the year ended 31 December 2023.

Business Overview

Principal activities and future developments

The Company's principal activity is to raise finance on behalf of its parent company Northern Ireland Electricity Networks Limited (NIE Networks). In June 2011 the Company issued £400m 6.375% Guaranteed Notes due in 2026 on behalf of NIE Networks (the Guarantor). In September 2018 the Company issued £350m 2.5% Guaranteed Notes due in 2025 on behalf of NIE Networks (the Guarantor). In November 2022 the Company issued £350m 5.875% Guaranteed Notes due in 2032 on behalf of NIE Networks (the Guarantor). The payments of all amounts in respect of the bonds are unconditionally and irrevocably guaranteed by the Guarantor. The Company has granted three back-to-back loans totalling £1,100m to the Guarantor. The bonds have been admitted to the Official List of the UK Listing Authority and to trading on the London Stock Exchange's regulated market. The directors anticipate that the activity of the Company will continue for the foreseeable future.

Financial Review

The results for the year ended 31 December 2023 show a result of £nil (2022 - £nil). This reflects finance income of £55.5m (2022 - £38.1m) from NIE Networks, offset by interest paid in respect of the bonds outlined above.

Risk Management and Principal Risks

The Company is committed to successfully managing exposure to risk and to minimising the impact of risk on the achievement of business objectives. The directors acknowledge that they have responsibility for the Company's systems of internal control and risk management.

NIE Networks' risk management framework incorporates the Company and comprises:

- appropriate structures in place to support risk management;
- formal assignment of risk responsibilities to facilitate managing/reporting on individual risks and to ensure specific risks are understood;
- procedures and systems for risk identification, assessment, mitigation and reporting; and
- on-going monitoring of the effectiveness of risk mitigation actions and controls.

The principal risks that affect the Company are described below.

Liquidity risk

The Company is financed through debt finance and interest receivable on the loans issued to the Guarantor. The Company's debt finance at 31 December 2023 comprised bonds of £400.0m, £350.0m and a second £350.0m bond (£399.5m, £349.5m and £346.5m net of amortised issue costs) which are repayable on 2 June 2026, 27 October 2025 and 1 December 2032 respectively.

The main source of liquidity for the Company is interest receivable on the loans to the Guarantor. The Company has assessed the liquidity and credit risk of the Guarantor and deems this risk to be low. The Guarantor's Annual Report and Financial Statements at 31 December 2023 indicate that the Guarantor has cash resources of £152.0m (2022 - £77.9m) and net assets totalling £570.7m (2022 - £548.2m). The Guarantor also has access to a £100m Revolving Credit Facility (RCF) from its ultimate parent, none of which was drawn down at 31 December 2023 (2022: none drawn down). The RCF is due to mature in December 2025.

The directors review the Company's capital structure on an annual basis to ensure that the Company will be able to continue as a going concern through optimisation of the debt and equity balance. The Company manages liquidity risk by continuously monitoring forecasts and funding requirements and matching the maturity profiles of financial assets and liabilities.

Risk Management and Principal Risks and Uncertainties (continued)

Interest rate risk

The bonds are denominated in Sterling and carry fixed interest rates of 6.375%, 2.5% and 5.875% respectively. The interest rates charged on the loans to the Guarantor are also fixed at 6.375%, 2.5% and 5.875% respectively. Therefore, the Company has no interest rate risk and holds no derivative financial instruments in respect of interest rates.

Currency risk

The assets and liabilities of the Company are denominated in Sterling and are therefore not exposed to foreign currency risk.

Credit risk

The Company's principal financial assets are the loans to the Guarantor and the associated interest receivable outlined in note 7 to the financial statements. The credit risk in respect of financial assets is considered by the directors to be low given that the Company's financial assets relate to amounts owed by the Guarantor. As noted in the Capital management and liquidity risk section above, this assessment is made based on the cash resources and net assets of the Guarantor at 31 December 2023.

The Company may be exposed to credit-related loss in the event of non-performance by bank counterparties who hold cash deposits from time to time. This risk is managed through conducting business only with approved counterparties which meet the criteria outlined in NIE Networks' treasury policy.

Going concern

The Company's business activities, together with the principal risks and uncertainties likely to affect its future performance, are described above. As noted above, the Company is financed through a combination of debt finance and interest receivable.

In assessing going concern, the directors considered the cash flow requirements of the Company, including the timing of both the payment of interest on the Company's bonds and the receipt of back-to-back interest income from NIE Networks. The directors have also considered the financial resources of NIE Networks for a 12 month period from the date of approval of the financial statements. At 31 December 2023, NIE Networks' debt financing comprised three back-to-back loans totalling £1,100m with the Company. NIE Networks has access to a £100m Revolving Credit Facility (RCF) from its ultimate parent, the Electricity Supply Board (ESB). None of the RCF was drawn down at 31 December 2023. The RCF is due to mature in December 2025. NIE Networks is deemed to have sufficient resources in order for it to meet its obligations under the terms of its loan with the Company.

On the basis of their assessment of the Company's financial position, which included a review of the Company's projected funding requirements and the cash flow forecasts of NIE Networks, for a period of at least 12 months from the date of approval of the financial statements, the directors have a reasonable expectation that the Company will have adequate financial resources for the 12 month period from the date of approval of the financial statements and accordingly adopt the going concern basis in preparing the annual report and financial statements.

Statement by the directors in performance of their statutory duties in accordance with section 172 of the Companies Act 2006

The directors of NIE Finance PLC are required to report how the directors of the Company have considered their duties under section 172(1) of the Companies Act 2006 when discharging their duty under that section, during the financial year ended 31 December 2023.

The Company is part of the NIE Networks Group of companies. In the management of its subsidiaries, the Group seeks to achieve long term value creation for the benefit of both its subsidiaries and the wider

NIE Finance PLC
STRATEGIC REPORT

Group. The Company's principal activity is to raise finance on behalf of its parent company NIE Networks. A key principle applied by the directors is to always consider whether the decision they are about to take leads to a positive long-term increase in the value of the Company and ultimately the wider NIE Networks Group.

As part of the overall governance approach, the Group recognises the need to have appropriate levels of governance across its subsidiaries as part of its approach to risk mitigation. The Group maintains strong levels of governance at a Group and Company level.

The directors acknowledge and understand their duties and responsibilities, including that, under section 172 of the Companies Act 2006, a director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

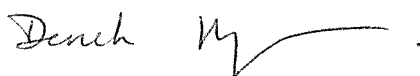
- a) The likely consequences of any decision in the long-term;
- b) The interests of the Company's employees;
- c) The need to foster the Company's business relationships with suppliers, customers and others;
- d) The impact of the Company's operations on the community and the environment;
- e) The desirability of the Company maintaining a reputation for high standards of business conduct; and
- f) The need to act fairly between members of the Company.

Given that the Company has no employees or operations in place that have an impact on the environment or wider community, the directors render section 172(1) (b and d) of the Companies Act 2006 as not applicable.

Details of how the directors have complied with their duties set out in section 172(1) (a,c,e,and f) can be found cross-referenced to the Internal Controls and Risk Management (pages 52-53), Principal Risks and Uncertainties (pages 36-40) and the Responsible Business Review (pages 18-31) of NIE Networks' Annual Report and Financial Statements for the year ended 31 December 2023. Further detail is also included as part of the Directors' Report in these financial statements.

The Company's stakeholders include its bondholders and NIE Networks to whom funds are lent. The Company is involved in the financing of intra-group loans with NIE Networks. The Company is committed to operating in an ethically responsible manner. The Company aims to be transparent and ethical in all its dealings with all of its third parties and complies with the Group's Code of Ethics on fraud, bribery and corruption, anti-slavery and human trafficking, business conduct and 'whistleblowing' procedures as well as the Group's corporate governance arrangements and equal opportunities policy. The Group policies outlined above have been reviewed and are deemed applicable to NIE Finance PLC as a subsidiary company.

On behalf of the Board



Derek Hynes
Director
Date: 11 March 2024
Registered Office
120 Malone Road
Belfast BT9 5HT

Company Number: NI607246

NIE Finance PLC DIRECTORS' REPORT

The directors present their Directors' Report and the audited financial statements of the Company for the year ended 31 December 2023.

In the Directors' Report and financial statements, unless specified otherwise, the 'Company' refers to NIE Finance PLC, a public limited company registered in Northern Ireland with registered number NI607246.

The immediate parent undertaking of the Company and the parent of the smallest group for which group financial statements are prepared is Northern Ireland Electricity Networks Limited (NIE Networks or the Guarantor). The latest Annual Report and Financial Statements for NIE Networks and its subsidiary undertakings are available on NIE Networks' website at: <http://www.nienetworks.co.uk/About-us/investor-relations>.

The ultimate parent undertaking and controlling party of the Company, and the parent of the largest group of which the Company is a member and for which group financial statements are prepared, is Electricity Supply Board (ESB). A copy of ESB's financial statements is available from ESB's registered office at 27 Fitzwilliam Street Lower, Dublin 2, DO2 KT92, Ireland.

The audited financial statements presented are for the year ended 31 December 2023 with the comparative year end being 31 December 2022.

Results and Dividends

The results for the year ended 31 December 2023 show a result of £nil (2022 - £nil). The Company did not pay any dividends during the year (2022 - £nil) and no dividend in respect of the year has been proposed. The business and financial review together with future business developments is provided in the Strategic Report and included in this report by cross reference.

Events after the balance sheet date

There have been no significant events since the balance sheet date.

Corporate Governance

Internal control and risk management in relation to the financial reporting process

Strong internal controls in the financial reporting process are necessary to ensure the integrity and reliability of financial and other information on which the Company relies for day-to-day operations, external reporting and for longer term planning. The Company exercises strong financial controls in the financial reporting process through a combination of: appropriately qualified and experienced personnel; rigorous business planning processes; an integrated accounting system; and clearly defined approval limits, all of which are facilitated through the support of NIE Networks.

The remit of NIE Networks' Audit & Risk Committee, which comprises the independent non-executive directors of NIE Networks, includes the Company. The Audit & Risk Committee reviews:

- the effectiveness of the Company's internal controls and the risk management system;
- the Company's financial statements considering the appropriateness of the accounting policies, whether the financial statements give a true and fair view, the appropriateness of the going concern assumption and reviewing the significant issues and judgements;
- the external auditor's plan for the scope of the audit of the statutory financial statements;
- reports from the external auditors on its audit of the Company's financial statements and the recommendations made by the auditors and management's response; and
- a report on the independence and objectivity of the external auditors.

Directors

Gavan Walsh resigned as a director on 7 December 2023. Gerard Browne was appointed as a director on 19 December 2023. Gordon Parkes and Derek Hynes were directors throughout the year and up to the date of this report.

Directors' Insurance

Insurance in respect of directors' and officers' liability is maintained by the Company's ultimate parent, ESB. This insurance was in place throughout the year and at the date of approval of these financial statements.

Disclosure of Information to the Auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware. Having made enquiries of fellow directors and the Company's auditors, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Appointment of Independent Auditors

On 4 July 2023, the Company's parent undertaking, NIE Networks' appointed Deloitte (NI) Limited as the statutory auditor of the Company. A resolution to reappoint Deloitte (NI) Limited as auditor will be proposed at the forthcoming Annual General Meeting.

Financial Risk Management

Details of the Company's objectives and policies for financial risk management (including liquidity risk and credit risk) are provided in the Risk Management and Principal Risks and Uncertainties section of the Strategic Report and are included in this report by cross reference.

Statement of Directors' Responsibilities in Respect of the Financial Statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the 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;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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

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DIRECTORS' REPORT

position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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 responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

Each of the directors in appointment at 31 December 2023, whose names and functions are listed in Directors' Report confirm that, to the best of their knowledge:

- the company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities, financial position and result of the company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks that it faces.

On behalf of the Board


Derek Hynes
Director

Date: 11 March 2024

Registered Office
120 Malone Road
Belfast BT9 5HT
Company Number: NI607246

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NIE FINANCE PLC

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of NIE Finance PLC (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the material accounting policy information; and
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	<p>The key audit matters that we identified in the current year were:</p> <ul style="list-style-type: none">• Recoverability of financial assets <p>The key audit matter considered by the Company's predecessor auditor in the prior year was broadly aligned with the item identified above.</p>
Materiality	<p>The materiality that we used in the current year was £3,107,300 which was determined on the basis of less than 1% of total assets (capped at 70% of Northern Ireland Electricity Networks Limited group materiality). In the prior year, the predecessor auditor determined materiality at £3,300,000 based on 1% of total assets capped at 83% of Northern Ireland Electricity Networks Limited group materiality.</p>
Scoping	<p>We determined the scope of our audit by obtaining an understanding of the Company and its operating environment, including the identification of key controls, and assessing the risks of material misstatement.</p> <p>This is in line with the scoping performed by the Company's predecessor auditor.</p>
First year audit transition	<p>This is the first year we have been appointed as auditors to the Company. We undertook a number of transitional procedures to prepare for the audit, these included:</p> <ul style="list-style-type: none">• Before we commenced our audit, we had to establish our independence of the Northern Ireland Electricity Networks Limited group and its subsidiaries, including NIE Finance plc.• We reviewed the predecessor auditor working papers to gain an understanding of the audit strategy including reviewing their assessment of risks of material misstatement, and the key controls on which they relied for the purposes of issuing their audit opinion,

4. Conclusions relating to 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 evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining an understanding of the Company's process and relevant controls for assessing going concern and reviewing management's and the directors' output of that assessment;
- Obtaining and evaluating the going concern assessment prepared by the Company;
- Assessing the financing facilities including the nature of facilities and repayment terms;
- Assessing the recoverability of amounts owed from related party undertakings;
- Assessing the willingness and ability of Northern Ireland Electricity Networks Limited (the Company's parent undertaking) to continue to support the Company by obtaining a letter of support from Northern Ireland Electricity Networks Limited;

- Reviewing Northern Ireland Electricity Networks Limited’s financial plans and annual report to assess whether it has sufficient financial resources and liquidity to support the Company if required; and
- Reviewing the adequacy of the disclosures included in the financial statements on going concern and, through our audit procedures, assessing whether they are appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter considered by the Company’s predecessor auditor in the prior year were broadly aligned with the items identified below.

5.1. Recoverability of financial assets

Key audit matter description	The Company’s financial assets as at 31 December 2023 were £1,113m (2022: £1,114million). The financial assets are intergroup loans receivable from its parent undertaking, Northern Ireland Electricity Networks Limited. The terms of these loans replicate the terms of the financial liabilities of the Company - the bond financing.
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We have determined this to be the key audit matter as loans to the related party undertaking comprise 98% of total assets. The recoverability of the loans is crucial to the Company to maintain a strong financial position and is therefore a key audit matter. Management determined the recoverability of these loans from group undertakings based on the financial position and future prospects of Northern Ireland Electricity Networks Limited and its ability to repay the debts due. This takes into consideration a range of factors such as the trading performance of the parent undertaking and the ability for Northern Ireland Electricity Networks Limited to repay the intercompany loans.

The Company’s accounting policy and key source of estimation uncertainty in relation to loan receivables is disclosed in note 2 to the financial statements and further disclosures are presented in note 7 to the financial statements.

The Company’s accounting policy and key source of estimation uncertainty in relation to loan receivables is disclosed in note 2 to the financial statements and further disclosures are presented in note 7 to the financial statements.

How the scope of our audit responded to the key audit matter	<p>The procedures we performed included:</p> <ul style="list-style-type: none"> • Evaluated the design and determined the implementation of relevant controls relating to the recoverability of financial assets; • Reviewed the financial assets against the loan agreements obtained from the company; • Evaluated management’s assessment of loss allowances and recoverability in respect of the amounts owed by Northern Ireland Electricity Networks Limited;
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- Evaluated the support and guarantees provided by Northern Ireland Electricity Networks Limited to determine whether a loss allowance is appropriate in the current year;
- Obtained financial information of Northern Ireland Electricity Networks Limited to establish that it has sufficient resources to support the Company and the borrowers if required to do so; and
- Evaluated and assessed the adequacy of disclosures made in the financial statements.

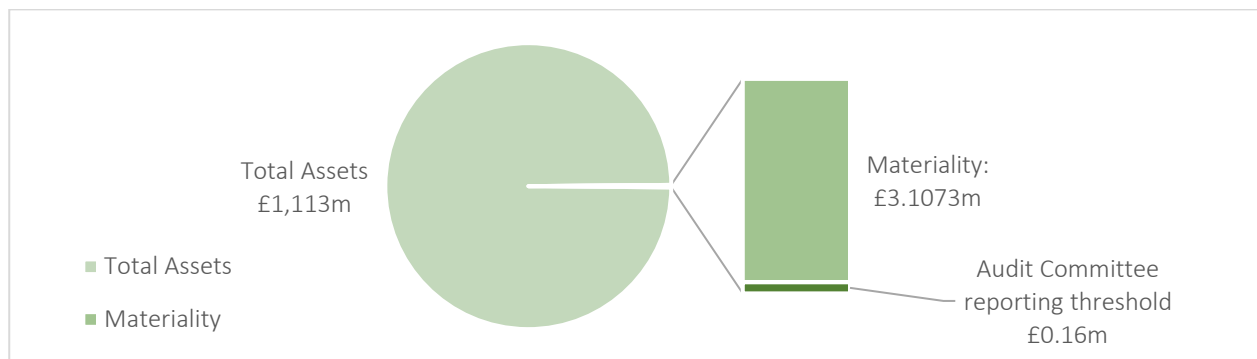
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	£3,107,300
Basis for determining materiality	Less than 1% of total assets capped at 70% of Northern Ireland Electricity Networks Limited group materiality. In the prior year, the predecessor auditor determined materiality at £3,300,000 based on 1% of total assets capped at 83% of Northern Ireland Electricity Networks Limited group materiality.
Rationale for the benchmark applied	<p>We have considered total assets to be the critical component for determining materiality because it is the most important measure for the users of the financial statements. In setting our benchmark, we have considered quantitative and qualitative factors such as our understanding of the nature of the Company and its environment, the focus of the users of the financial statements, and the industry and economic environment in which the Company operates.</p> <p>As NIE Finance PLC is consolidated within Northern Ireland Electricity Networks Limited, the determination of materiality of Northern Ireland Electricity Networks Limited has an impact on the materiality that we use in our testing of NIE Finance PLC. The overall materiality level used in our audit of NIE Finance PLC is capped to reduce the risk that the aggregate of identified and unidentified misstatements in the group financial statements are material.</p>



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2023 audit. In the prior year, the predecessor auditor determined performance materiality at 75% of materiality. In determining performance materiality, we considered the following factors:

- a) This is a first-year audit engagement;
- b) Our understanding of the Company and its environment;
- c) The reliability of the Company's internal control over financial reporting and whether we were able to rely on controls; and
- d) The nature, volume and size of misstatements (both corrected and uncorrected) in the previous audit.

6.3. Error reporting threshold

We agreed with the Audit & Risk Committee that we would report to the Committee all audit differences in excess of £155,365, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. In the prior year, the predecessor auditor determined that they would report to the Committee all audit differences in excess of £165,000. We also report to the Audit & Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

We determined the scope of our audit by obtaining an understanding of the Company and its environment, including internal control, and assessing the risks of material misstatement related to the financial statements of the Company.

The risk of material misstatement that had the greatest effect on our audit is identified as a key audit matter in the table above. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

9. Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

10. Auditor's 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 auditor's 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 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.

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. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, the directors and the Audit & Risk committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Company's sector;
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud with respect to the completeness and accuracy of interest income. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

11.2. Audit response to risks identified

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit & Risk committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC;
- in addressing the risk of fraud related to the completeness and accuracy of finance income, we evaluated the design and determined the implementation of relevant controls over the accuracy of finance income. We also agreed interest terms to loan agreements and performed recalculations of finance income in the period; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. Matters on which we are required to report by exception.

13.1. Adequacy of explanations received and accounting records

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

13.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

14. Other matters which we are required to address

14.1. Auditor tenure

Following the recommendation of the Northern Ireland Electricity Networks Limited Audit & Risk committee, we were appointed by the Board members on 4 July 2023 to audit the financial statements for the year ending 31 December 2023 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 1 year covering the years ending 31 December 2023.

14.2. Consistency of the audit report with the additional report to the audit committee

Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISAs (UK).

15. Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



David McCaffrey FCA (Senior statutory auditor)

For and on behalf of Deloitte (NI) Ltd
Chartered Accountants and Statutory Audit Firm
Statutory Auditor
Lincoln Building
27 – 45 Great Victoria Street
Belfast
BT2 7AQ

13 March 2024

Notes: An audit does not provide assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular on whether any changes may have occurred to the financial statements since first published. These matters are the responsibility of the directors but no control procedures can provide absolute assurance in this area.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements differs from legislation in other jurisdictions.

INCOME STATEMENT
for the year ended 31 December 2023

	Note	2023 £'000	2022 £'000
Finance income	4	55,549	38,128
Finance costs	4	<u>(55,549)</u>	<u>(38,128)</u>
Result before tax		-	-
Tax on result	6	<u>-</u>	<u>-</u>
RESULT FOR THE FINANCIAL YEAR		<u>-</u>	<u>-</u>

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2023

Other than the results noted above, the Company had no other comprehensive income/expense for the year ended 31 December 2023 or 31 December 2022.

BALANCE SHEET
as at 31 December 2023

	Note	2023 £'000	2022 £'000
Non-current assets			
Financial assets	7	<u>1,095,216</u>	<u>1,094,543</u>
Current assets			
Financial assets	7	<u>18,014</u>	<u>19,749</u>
Cash at bank and in hand	8	<u>50</u>	<u>50</u>
		<u>18,064</u>	<u>19,799</u>
TOTAL ASSETS		<u>1,113,280</u>	<u>1,114,342</u>
Current liabilities			
Financial liabilities	9	<u>18,014</u>	<u>19,749</u>
Non-current liabilities			
Financial liabilities	9	<u>1,095,216</u>	<u>1,094,543</u>
TOTAL LIABILITIES		<u>1,113,230</u>	<u>1,114,292</u>
NET ASSETS		<u>50</u>	<u>50</u>
Equity			
Share capital	11	<u>50</u>	<u>50</u>
Retained earnings		<u>-</u>	<u>-</u>
TOTAL EQUITY		<u>50</u>	<u>50</u>

The financial statements were approved by the Board of directors and authorised for issue on 8 March 2024.

They were signed on its behalf by:



Derek Hynes
Director

Date: 11 March 2024
Registered No. NI607246

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2023

	Share capital £'000	Retained earnings £'000	Total equity £'000
At 1 January 2022	50	-	50
Result for the year	-	-	-
Net other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	-	-
At 31 December 2022	50	-	50
Result for the year	-	-	-
Net other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	-	-
At 31 December 2023	50	-	50

1. General Information

NIE Finance PLC is a public limited company, incorporated, domiciled and registered in Northern Ireland (registered number NI607246). The Company's registered office address is 120 Malone Road, Belfast, BT9 5HT. The Company's principal activity is to raise finance on behalf of its parent company Northern Ireland Electricity Networks Limited (NIE Networks).

The Company is a wholly owned subsidiary of NIE Networks. The results of NIE Finance PLC are included in the consolidated financial statements of the NIE Networks group. The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

The material accounting policies adopted by the Company are set out in note 2.

2. Accounting Policies

Basis of preparation

These financial statements were 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 taken advantage of the following disclosure exemptions under FRS 101:

- a) the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 *Presentation of Financial Statements*, which are requirements relating to cash flows, comparative information, statement of compliance and the management of capital;
- b) the requirements of IAS 7 *Statement of Cash Flows* in preparing a cash flow statement for the Company;
- c) the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* relating to the disclosure of amendments to IFRS that are not yet effective; and
- d) the requirements of paragraphs 17 and 18A of IAS 24 *Related Party Disclosures* relating to the disclosure of key management personnel compensation.

The accounting policies applied in preparing the financial statements are set out below. These policies have been applied consistently to all years presented, unless otherwise stated.

New and revised accounting standards and interpretations

The following standards and interpretations are effective for the Company from 1 January 2023 but have no material effect on the results or financial positions of the Company:

- IAS 1 (Amendments) – Presentation of Financial Statements;
- IAS 8 (Amendments) – Accounting Estimates; and
- IAS 12 (Amendments) – Deferred Tax.

Going concern

The Company has assessed its business activities including financial risk management and the factors likely to affect its future development. The Company is financed through a combination of debt finance and interest receivable.

In assessing going concern, the directors considered the cash flow requirements of the Company, including the timing of both the payment of interest on the Company's bonds and the receipt of back-to-back interest income from NIE Networks.

2. Accounting Policies (continued)

Going concern (*continued*)

The directors have also considered the financial resources of NIE Networks for a 12 month period from the date of approval of the financial statements. At 31 December 2023, NIE Networks' debt financing comprised three back-to-back loans totalling £1,100m with the Company. NIE Networks has access to a £100m Revolving Credit Facility (RCF) from its ultimate parent, the Electricity Supply Board (ESB). None of the RCF was drawn down at 31 December 2023. The RCF is due to mature in December 2025. NIE Networks is deemed to have sufficient resources in order for it to meet its obligations under the terms of its loan with the Company.

On the basis of their assessment of the Company's financial position, which included a review of the Company's projected funding requirements and the cash flow forecasts of NIE Networks, for a period of at least 12 months from the date of approval of the financial statements, the directors have a reasonable expectation that the Company will have adequate financial resources for the 12 month period from the date of approval of the financial statements and accordingly adopt the going concern basis in preparing the annual report and financial statements.

Financial instruments

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with maturities of three months or less.

Loan receivables

Loan receivables are initially recorded at fair value. After initial recognition, they are subsequently measured at amortised cost using the effective interest method.

Interest bearing loans

Interest bearing loans are initially recorded at fair value, being the proceeds received net of direct issue costs. After initial recognition, interest bearing loans are subsequently measured at amortised cost using the effective interest method.

Finance income and expense

Finance income represents the return receivable by the company on loans to and receivables from group undertakings and is recognised in profit or loss as it accrues using the effective interest rate method.

Interest expense on loans and borrowings is recognised in profit or loss as it accrues using the effective interest rate method.

Loans and balances with related party undertakings

Interest bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition these borrowings are stated at amortised cost using the effective interest rate method. If a financial liability measured at amortised cost is modified without this resulting in derecognition, a gain or loss is recognised in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

Loans and balances with related party undertakings are non-derivative financial assets or liabilities which are not quoted in an active market. They are included in current assets or current liabilities on the balance sheet, except for those with maturities greater than twelve months after the balance sheet date, which are included in non-current assets or non-current liabilities. Loans and balances are initially recorded at fair value and thereafter at amortised cost. If a financial asset measured at amortised cost is modified without this resulting in derecognition, a gain or loss is recognised in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

2. Accounting Policies (continued)

Impairment

Amounts due from related party undertakings include loans and interest on these loans. Under IFRS 9, impairment is assessed using the expected credit loss model. In determining the impairment loss, amounts due from related party undertakings are classified as amounts repayable on demand, low credit risk receivables and amounts for which there has been a substantial increase in credit risk since initial recognition. In determining an expected credit loss, regard is given to historic performance of the relevant loan as well as forward looking information for the relevant related party undertakings including detailed discounted cash flow forecasts, where appropriate.

The company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For loans and balances with related parties, the company applies the general approach permitted by IFRS 9, which requires 12 month expected credit losses to be recognised on initial recognition of these receivables. If a significant increase in credit risk occurs, this requires expected lifetime credit loss to be recognised on these receivables.

Critical accounting judgements and key sources of estimation uncertainty

In applying the Company's accounting policies, 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

There are no critical judgements, apart from that detailed below within 'key sources of estimation uncertainty', that the directors have made in the process of applying company accounting policies.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Calculation of loss allowance

When measuring expected credit losses (ECL) on financial assets, the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default (LGD) is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default (PD) constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

2. Accounting Policies (continued)

As detailed in note 7 the company has a loan due from Northern Ireland Electricity Networks Limited totalling £1,095m (and associated interest receivable of £18m), as at 31 December 2023. The ECL on these assets is in the view of the directors is not deemed material based on our assessment of the terms of the loan, the availability of publicly available PD and LGD data, and the ability of from Northern Ireland Electricity Networks Limited to repay the loan and associated interest.

3. Operating Costs

Fees payable to the Company's auditors for the audit of the Company's financial statements totalled £20,000 (2022 - £5,500). These fees were paid for and borne by the immediate parent company on behalf of the Company. In addition, fees totalling £nil (2022 - £52,500) were paid in relation to audit related assurance services during the year. All costs related to the management and administration of the company are borne by the parent company and not recharged.

4. Net Finance Costs

	2023 £'000	2022 £'000
<i>Finance income:</i>		
Interest receivable on loan to immediate parent undertaking	54,767	37,630
Amortisation of financing income	782	498
Total finance income	55,549	38,128
<i>Finance costs:</i>		
Interest payable on £400m bond – Interest rate of 6.375%	25,459	25,500
Interest payable on £350m bond – Interest rate of 2.500%	8,750	8,750
Interest payable on £350m bond – Interest rate of 5.875%	20,558	3,380
Amortisation of financing charges	782	498
Total finance costs	55,549	38,128
Net finance costs	-	-

All of the Company's income and costs, and assets and liabilities derive from its sole activity in the UK, being the provision of loan finance to NIE Networks.

5. Employees and Directors

The Company has no employees (2022: none). No remuneration has been paid to the directors by the Company (2022: £nil). The directors are all employees of NIE Networks. Remuneration received by the directors from NIE Networks includes remuneration in respect of the provision of services to the Company. It is not possible to separately identify the element of remuneration relating to the Company.

6. Tax

Both profit before tax and taxable profit were nil in the current and prior years. Therefore, there is no tax charge in either year.

NIE Finance PLC
Notes to the Financial Statements

7. Financial Assets

	2023 £'000	2022 £'000
Financial assets – non-current		
Loan to immediate parent undertaking	<u>1,095,216</u>	<u>1,094,543</u>
Financial assets – current		
Interest receivable on loan to immediate parent undertaking	<u>18,014</u>	<u>19,749</u>

On 2 June 2011 the Company issued a loan of £400m to NIE Networks, the Company's immediate parent undertaking, net of £2.1m of costs associated with raising finance. The loan has a maturity date of 2 June 2026 and interest is earned at a fixed rate of 6.375%. On 27 September 2018 the Company issued a second loan of £350m to NIE Networks, net of £1.9m of costs associated with raising finance. The loan has a maturity date of 27 October 2025 and interest is earned at a fixed rate of 2.5%. On 1 November 2022 the Company issued a third loan of £350m to NIE Networks, net of £4.0m of costs associated with raising finance. The loan has a maturity date of 1 December 2032 and interest is earned at a fixed rate of 5.875%. None of the loans are past due or impaired.

The Company's receivables are owed by its parent undertaking, NIE Networks, and are due for repayment between 2025 and 2032 in line with repayment of the bonds as outlined above. NIE Networks operates in a regulatory model that is obliged to ensure that the company's obligations are financeable.

Therefore, the credit risk associated with this debt and any provision required under the expected credit loss model is not material to the financial statements.

8. Cash at Bank and in Hand

	2023 £'000	2022 £'000
Cash at bank and in hand	<u>50</u>	<u>50</u>

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates. The directors consider that the carrying amount of cash and cash equivalents equates to fair value.

9. Financial Liabilities

	2023 £'000	2022 £'000
Current		
Interest payable on £400m bond - (Issued 2011)	14,770	14,811
Interest payable on £350m bond - (Issued 2018)	1,559	1,558
Interest payable on £350m bond - (Issued 2022)	<u>1,685</u>	<u>3,380</u>
	<u>18,014</u>	<u>19,749</u>
Non-current		
£400m bond – (Issued 2011)	399,494	399,307
£350m bond – (Issued 2018)	349,471	349,192
£350m bond – (Issued 2022)	<u>346,251</u>	<u>346,044</u>
	<u>1,095,216</u>	<u>1,094,543</u>

9. Financial Liabilities (continued)

On 2 June 2011, the Company issued a 15 year £400m bond which carries interest at a coupon of 6.375%. On 27 September 2018, the company issued a 7 year £350m bond which carries interest at a coupon of 2.5%. On 1 November 2022, the company issued a 7 year £350m bond which carries interest at a coupon of 5.875%. The payments of all amounts in respect of the bonds are unconditionally and irrevocably guaranteed by the Company's immediate parent company, NIE Networks. Interest is due annually in arrears on 2 June, 27 October and 1 December respectively.

10. Financial Instruments

The Company's objective is to issue financial instruments in order to raise finance on behalf of its immediate parent undertaking. Therefore, the Company is financed through debt finance and interest receivable. The Company's debt finance at 31 December 2023 comprised three bonds which are repayable on 2 June 2026, 27 October 2025 and 1 December 2032 respectively. The bond issues incurred £8.0m of costs (unamortised) in total associated with raising finance.

Credit risk

The maximum credit risk exposure relating to financial assets is represented by the carrying value as at the balance sheet date. The maximum exposure to credit risk at the reporting date was:

	Note	2023 £'000	2022 £'000
Amounts owed by immediate parent undertaking	7	1,113,230	1,114,292
Cash and cash equivalents	8	50	50
		<u>1,113,280</u>	<u>1,114,342</u>

The table below summarises the maturity profile of the bonds based on contractual undiscounted payments:

31 December 2023	On demand £'000	Less than 3 months £'000	3 to 12 months £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Financial Liabilities						
£400m bond (including interest payable)	-	-	25,500	451,040	-	476,540
£350m bond (including interest payable)	-	-	8,750	358,750	-	367,500
£350m bond (including interest payable)	-	-	20,563	82,250	432,255	535,068
	-	-	54,813	892,040	432,255	1,379,108
31 December 2022						
Financial Liabilities						
£400m bond (including interest payable)	-	-	25,500	476,500	-	502,000
£350m bond (including interest payable)	-	-	8,750	367,500	-	376,250
£350m bond (including interest payable)	-	-	22,253	82,250	452,813	557,316
	-	-	56,503	926,250	452,813	1,435,566

10. Financial Instruments (continued)

Fair values of financial assets and financial liabilities

The £400m, £350m and £350m bonds, which are listed on the London Stock Exchange's regulated market, had fair values at 31 December 2023 of £428.8m (2022 - £428.8m), £335.6m (2022 - £325.4m) and £378.5m (2022 - £361.7m) respectively, based on current market prices. The Company's back-to-back loans had a fair value at 31 December 2023 of £428.8m (2022 - £428.8m), £335.6m (2022 - £325.4m) and £378.5m (2022 - £361.7m) respectively based on the fair value of the £400m, £350m and £350m bonds.

The Company uses the hierarchy as set out in IFRS 13 Fair Value Measurement. All assets and liabilities for which fair value is disclosed are categorised within the fair value hierarchy described as follows:

Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is not observable.

The fair value of the Company's loans and receivables, and its bonds as at 31 December 2023 and 31 December 2022 is considered by the Company to fall within the level 1 fair value hierarchy as defined in IFRS 13. There have been no transfers between levels in the hierarchy during the year.

The directors consider that the carrying amount of other financial assets and liabilities equates to fair value.

11. Share Capital

<i>Allotted and fully paid</i>	2023 £'000	2022 £'000
50,000 Ordinary shares of £1 each fully paid up	50	50

12. Related Party Disclosures

The ultimate parent undertaking and ultimate controlling party of the Company and the parent of the smallest group of which the Company is a member and for which group financial statements are prepared is Northern Ireland Electricity Networks Limited. A copy of the immediate parent's financial statements is available from its registered office at 120 Malone Road, Belfast, BT9 5HT. The ultimate parent undertaking in the UK is ESBNI Limited. The ultimate parent undertaking and controlling party of the Company and the parent of the largest group of which the Company is a member and for which group financial statements are prepared is Electricity Supply Board (ESB), a statutory corporation established under the Electricity (Supply) Act 1927 domiciled in the Republic of Ireland. A copy of ESB's financial statements is available from ESB's registered office at 27 Fitzwilliam Street Lower, Dublin 2, D02 KT92, Ireland.

A full list of the subsidiary undertakings of ESB is included in its financial statements.

Transactions between the Company and related parties and the balances outstanding are disclosed below:

	Interest received from related party £'000	Amounts owed by related party £'000
Year to 31 December 2023		
Northern Ireland Electricity Networks Limited	<u>55,549</u>	<u>1,113,230</u>
Year to 31 December 2022		
Northern Ireland Electricity Networks Limited	<u>38,128</u>	<u>1,114,292</u>

On 2 June 2011 a loan of £400.0m, net of £2.1m of unamortised costs associated with raising finance, was issued to Northern Ireland Electricity Networks Limited. The loan has a maturity date of 2 June 2026. A further loan of £350.0m, net of £1.9m of unamortised issue costs associated with raising finance, was issued on 27 September 2018. The loan has a maturity date of 27 October 2025. On 1 November 2022, a third loan of £350.0m, net of £4.0m of issue costs associated with raising finance, was issued. The loan has a maturity date of 1 December 2032. Further details of these loans are disclosed in note 7.