

EDF Energy (Energy Branch) plc

Registered Number: 2449611

Annual Report and Financial Statements

for the Year Ended 31 December 2014

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Directors

Simon Baker
Christopher Bebbington
Stuart Crooks
Craig Dohring
David Mitchell
Paul Morton
Gwen Parry-Jones
Darren Ramshaw
Vincent Roulet
Matthew Sykes

Company Secretary

Claire Gooding

Auditor

Deloitte LLP
2 New Street Square
London
EC4A 3BZ

Registered Office

40 Grosvenor Place
Victoria
London
SW1X 7EN

STRATEGIC REPORT

The Directors present their Strategic Report for the year ended 31 December 2014.

Principal activity

The principal activity of the Company is that of a holding company for investments in projects involving the generation of electricity. It will continue with this activity for the foreseeable future.

Review of the business

The profit on ordinary activities before taxation, amounted to £10,813k (2013: £4,043k) and after taxation, amounted to a profit of £10,238k (2013: £3,264k).

During the year, the Company was involved in a group restructure which resulted in a change in ownership of the windfarm assets owned by EDF SA. In January 2014, the Company sold its investments in windfarm assets to EDF Energy Renewables Holdings Limited, a joint arrangement, owned 50% by the Company. EDF Energy Renewables Holdings Limited also purchased the windfarm assets, owned by EDF Energies Nouvelles, a wholly-owned EDF SA subsidiary which owns the remaining 50% stake in EDF Energy Renewables Holdings Limited. The impact of these transactions was to realise a profit on sale of £14,317k in 2014.

EDF Energy (Energy Branch) plc is a wholly-owned subsidiary of EDF Energy Holdings Limited (the "Group") which manages its operations on a business segment basis. For this reason, the Company's Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the Generation Business Unit, which includes the Company, and future likely developments of the business are discussed in the Group's Annual Report which does not form part of this report.

STRATEGIC REPORT (CONTINUED)

Principal risks and uncertainties

The following is a discussion of the key risks facing the Company together with a summary of the Company's approach to managing those risks.

Interest rate risk

The Company's exposure to interest rate fluctuations on its borrowings and deposits is managed principally through the use of fixed rate debt instruments and swap agreements. The Company's policy is to use derivatives to reduce exposure to short-term interest rates and not for speculative purposes.

Investment risk

The future prospects of the Company are dependent on the performance of its investment in subsidiaries. The investments in subsidiaries have been reviewed and the carrying value is considered to be recoverable based on their forecast performance.

Liquidity risk

Liquidity risk is the risk that proceeds from financial assets are not sufficient to fund the obligations arising from the liabilities as they fall due. The Company's exposure to liquidity risk is reduced by its borrowing facilities in place provided by its shareholder.

Health & Safety risk

The health and safety of all our employees, contractors, agency staff and the public is a key risk given the nature of the Company's business. To minimise this risk, the Company is committed to creating a culture that views safe working as the only way of working and to reviewing all our processes and procedures to ensure it delivers this. Training is provided to managers to ensure they understand their responsibility for the safety of the employees that they set to work. In addition, a confidential helpline has been set up for the use of anyone within the organisation to help eradicate unsafe practices and safeguard our employees.

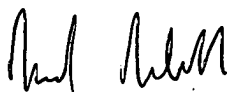
Cyber risk

Cyber security threats are increasing in magnitude, sophistication, and pace. The impact of a cyber security incident can significantly damage business operations, profit and brand. The Group has invested in technology to protect itself from such threats.

Going concern

The financial statements have been prepared under the going concern basis because EDF Energy plc, the intermediate parent company, has agreed to continue to support the Company financially and not to recall amounts advanced to the Company until the claims of all creditors have been met.

Approved by the Board on 30 June 2015 and signed on its behalf by:



David Mitchell

DIRECTORS' REPORT

The Directors present their report and the financial statements for the year ended 31 December 2014.

Directors of the company

The Directors who held office during the year were as follows:

Stuart Crooks (appointed 1 January 2014)

Robert Guyler (appointed 1 January 2014 and resigned 17 March 2015)

Gwen Parry-Jones (appointed 20 May 2014)

Darren Ramshaw (appointed 1 July 2014)

Andrew Richardson (appointed 1 July 2014 and resigned 31 March 2015)

Matthew Sykes (appointed 1 July 2014)

Mark Vyvan-Robinson (appointed 1 July 2014 and resigned 27 August 2014)

The following directors were appointed after the year end:

Simon Baker (appointed 19 May 2015)

Christopher Bebbington - (appointed 19 May 2015)

Craig Dohring - (appointed 19 May 2015)

David Mitchell - (appointed 19 May 2015)

Paul Morton - (appointed 19 May 2015)

Vincent Roulet - (appointed 19 May 2015)

Dividends

The Directors do not recommend payment of a dividend (2013: £nil).

None of the Directors had a service contract with the Company in the current or prior year. They are all employed by associated companies within the Group and no portion of their remuneration can be specifically attributed to their services to the Company.

No Director (2013: none) held any interests in the shares or debentures of the Company or the Group which are required to be disclosed under the Companies Act 2006.

Political donations

The Company made no political donations in the current or prior year.

Equal opportunities

The Company is fully committed to ensuring that all current and potential future employees and customers are treated fairly and equally, regardless of their gender, sexual orientation, marital status, disability, race, colour, nationality or ethnic origin. The Company provides equal opportunities for employment, training and development, having regard to particular aptitudes and abilities. In the event of employees becoming disabled during employment, where possible, assistance and retraining is given so that they may attain positions compatible with their ability.

Employee involvement

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting their employment and on the various factors affecting the performance of the Company and Group. This is carried out in a number of ways, including formal and informal briefings, departmental meetings and regular reports in staff newsletters and on the Group intranet.

DIRECTORS' REPORT (CONTINUED)

Directors liabilities

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

Auditors

Each of the persons who is a Director at the date of approval of this annual report confirms that:

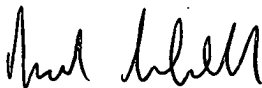
- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's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

This confirmation is given and should be interpreted in accordance with the provisions of s.418 of the Companies Act 2006.

Reappointment of auditor

Deloitte LLP have indicated their willingness to continue in office as auditor to the Company. A resolution to reappoint Deloitte LLP as auditor will be tabled at the forthcoming Annual General Meeting.

Approved by the Board on 30 June 2015 and signed on its behalf by:



David Mitchell

DIRECTORS' RESPONSIBILITY STATEMENT

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). 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 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDF ENERGY (ENERGY BRANCH) PLC

We have audited the financial statements of EDF Energy (Energy Branch) plc for the year ended 31 December 2014, which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibility Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

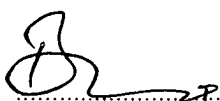
In our opinion the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDF ENERGY (ENERGY BRANCH) PLC
(CONTINUED)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Bevan Whitehead ACA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP, Chartered Accountant and Statutory Auditor

2 New Street Square
London
EC4A 3BZ

30 June 2015

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 £ 000	2013 £ 000
Income from fixed asset investments	5	87	9,754
Profit on sale of investments	6	14,317	40,372
Provision for impairment	7	(5,103)	(50,549)
Other interest receivable and similar income	8	3,129	7,019
Interest payable and similar charges	9	<u>(1,617)</u>	<u>(2,553)</u>
Profit on ordinary activities before taxation		10,813	4,043
Tax on profit on ordinary activities	10	<u>(575)</u>	<u>(779)</u>
Profit for the financial year	19	<u><u>10,238</u></u>	<u><u>3,264</u></u>

All results are derived from continuing operations in both the current and preceding year

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Notes	2014 £ 000	2013 £ 000
Profit for the financial year		10,238	3,264
Actuarial loss on pension schemes	20	(5,925)	(4,064)
Tax relating to actuarial loss on pension schemes		<u>1,236</u>	<u>545</u>
Total recognised gains and losses relating to the year	19	<u>5,549</u>	<u>(255)</u>


The actuarial loss net of tax on defined benefit pensions includes a deferred tax credit of £502k (2013: charge of £225k) and a current tax credit of £734k (2013: credit of £770k).

EDF ENERGY (ENERGY BRANCH) PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	2014 £ 000	2013 £ 000
Fixed assets			
Investment in subsidiary	11	3,320	6,639
Investments in joint ventures	12	144,789	105,470
Investment in associate	13	5,000	20,031
Other investments	14	16	16
		<u>153,125</u>	<u>132,156</u>
Current assets			
Debtors: amounts falling due within one year	15	6,338	7,229
Debtors: amounts falling due after more than one year	15	80,295	65,226
Cash at bank and in hand		11,962	17,091
		<u>98,595</u>	<u>89,546</u>
Creditors: amounts falling due within one year	17	<u>(221,854)</u>	<u>(199,445)</u>
Net current liabilities		<u>(123,259)</u>	<u>(109,899)</u>
Net assets excluding pension provision		29,866	22,257
Pension provision	20	<u>(12,816)</u>	<u>(10,756)</u>
Net assets		<u>17,050</u>	<u>11,501</u>
Capital and reserves			
Called up share capital	18	3,000	3,000
Capital reserves	19	(43)	(43)
Profit and loss account	19	14,093	8,544
Shareholders' funds		<u>17,050</u>	<u>11,501</u>

The financial statements of EDF Energy (Energy Branch) plc, registered number 2449611 on pages 8 to 26 were approved and authorised by the Board on 30 June 2015 and signed on its behalf by:



 David Mitchell

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

The principal accounting policies are set out below. They have all been applied consistently throughout the current year and the preceding year.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Going concern

The financial statements have been prepared under the going concern concept because EDF Energy plc, the intermediate parent company, has agreed to continue to support the Company financially for at least 12 months from the date of signing these financial statements and not to recall amounts advanced to the Company until the claims of all creditors have been met.

Exemption from preparing a cash flow statement

The Company is exempt from preparing a cash flow statement under the terms of FRS 1 'Cash flow statements (revised 1996)' as it is a member of a Group, headed by EDF Energy Holdings Limited, whose consolidated accounts include a cash flow statement and are publicly available.

Exemption from preparing group accounts

The Company is exempt from preparing consolidated accounts as it is a wholly-owned subsidiary of EDF Energy Holdings Limited, which prepares consolidated accounts which include the results of the Company and are publicly available.

Fixed asset investments

Fixed asset investments are shown at cost less any provision for impairment.

Provisions

A provision is recognised when there is a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

1 Accounting policies (continued)

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred at the balance sheet date, with the following exceptions:

- provision is made for gains on disposal of fixed assets that have been rolled over into replacement assets only where, at the balance sheet date, there is a commitment to dispose of the replacement assets with no likely subsequent rollover or available capital losses;
- provision is made for gains on re-valued fixed assets only where there is a commitment to dispose of the re-valued assets and the attributable gain can neither be rolled over nor eliminated by capital losses; and
- deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax is measured on an undiscounted basis. Deferred tax is measured at the average tax rate that is expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Pensions

The Company has obligations under two funded defined benefit pension arrangements as part of the EDF Energy plc group, and the Company accounts for these schemes in accordance with FRS 17 'Retirement Benefits', ("FRS 17").

The amounts charged to the profit and loss account are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately the costs are recognised over the period until vesting occurs. The interest cost and the expected return on the assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

The defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond or equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

2 Operating result

In 2014 an amount of £33,911 (2013: £24,672) was paid to Deloitte LLP for audit services. This charge was borne by another Group company in both the current and prior year. In 2014, amounts payable to Deloitte LLP by the Company in respect of other assurance services was £nil (2013: £nil).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3 Directors' remuneration

None of the Directors had a service contract with the Company in the current or prior year. They are all employed by associated companies within the group and no portion of their remuneration can be specifically attributed to their services to the Company.

No Director (2013: none) held any interests in the shares or debentures of the Company or the Group required to be disclosed under the Companies Act 2006.

4 Staff costs

The aggregate payroll costs were as follows:

	2014 £ 000	2013 £ 000
Wages and salaries	26,253	25,212
Social security costs	2,185	2,490
Other pension schemes	6,489	5,908
Recharged to other Group companies	<u>(34,927)</u>	<u>(33,610)</u>
	<u>-</u>	<u>-</u>

The monthly average number of persons employed by the Company during the year was as follows:

	2014 No.	2013 No.
Production	<u>507</u>	<u>500</u>
	<u>507</u>	<u>500</u>

5 Income from fixed asset investments

	2014 £ 000	2013 £ 000
Dividends from other investments	87	79
Dividends from joint ventures	<u>-</u>	<u>9,675</u>
	<u>87</u>	<u>9,754</u>

6 Profit on sale of investments

	2014 £ 000	2013 £ 000
Loss on disposal of Sutton Bridge	-	(101)
Profit on disposal of investment in Windfarms	<u>14,317</u>	<u>40,473</u>
	<u>14,317</u>	<u>40,372</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

7 Impairment

	2014	2013
	£ 000	£ 000
Impairment of loan to Sutton Bridge Financing Limited	-	(50,549)
Impairment of investment in Barking Power Limited	<u>(5,103)</u>	-
	<u>(5,103)</u>	<u>(50,549)</u>

In July 2014, Barking Power Limited announced its intention to close due to the adverse market conditions for gas fired power generation and a prolonged period during which the station has been operating at low load factors. This led the Company to perform an impairment test on the carrying value of its investment in Barking Power limited which resulted in an impairment of £5,103k.

8 Other interest receivable and similar income

	2014	2013
	£ 000	£ 000
Interest receivable on loans to other Group companies	109	2,678
Recovery of loan to Marine Current Turbine Ltd	-	1,000
Pension interest receivable	780	-
Interest receivable on loans to joint ventures	<u>2,240</u>	<u>3,341</u>
	<u>3,129</u>	<u>7,019</u>

9 Interest payable and similar charges

	2014	2013
	£ 000	£ 000
Interest on loans from group undertakings	(1,619)	(1,671)
Net interest charge on pension scheme	-	(438)
Unwinding of discount on deferred consideration	<u>2</u>	<u>(444)</u>
	<u>(1,617)</u>	<u>(2,553)</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 Taxation

a) Analysis of tax charge in the year

	2014 £ 000	2013 £ 000
Current tax		
Corporation tax charge	442	995
Adjustments in respect of previous years	146	(180)
Total current tax charge	588	815
Deferred tax		
Origination and reversal of timing differences	(13)	(36)
Total deferred tax	(13)	(36)
Total tax charge on profit on ordinary activities	575	779

Changes to the main rate of corporation tax were announced in Finance Act 2013. These comprised a reduction in the main rate of corporation tax for the financial year beginning 1 April 2014 from 23% to 21% and a further reduction for the financial year beginning 1 April 2015 from 21% to 20%.

The deferred tax asset at 31 December 2014 has been calculated at 20% (2013: 20%) as this is the rate at which the reversal of the deferred tax asset is expected to occur.

b) Factors affecting tax credit for the year

The tax on profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK (2013 - lower than the standard rate of corporation tax in the UK) of 21.5% (2013 - 23.25%).

The differences are reconciled below:

	2014 £ 000	2013 £ 000
Profit on ordinary activities before tax	10,813	4,043
Corporation tax at standard rate	2,325	940
Effect of:		
Dividends from UK companies	(18)	(2,268)
Impairment of investments	1,097	23
Profit on sale of investments	(3,078)	(9,558)
Provision against loan to subsidiary	-	11,753
Other permanent differences	102	64
Movement in pension liability	14	41
Adjustment in respect of previous years	146	(180)
Total current tax	588	815

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

11 Investments in subsidiary

	2014 £ 000	2013 £ 000
Investment in subsidiary	<u>3,320</u>	<u>6,639</u>
	Subsidiary undertakings £ 000	Total £ 000
Cost		
At 1 January 2014	6,639	6,639
Partial disposal of investment in Round 3 Isle of Wight Limited	<u>(3,319)</u>	<u>(3,319)</u>
At 31 December 2014	<u>3,320</u>	<u>3,320</u>
Net book value		
At 31 December 2014	<u>3,320</u>	<u>3,320</u>
At 31 December 2013	<u>6,639</u>	<u>6,639</u>

Details of undertakings

The principal subsidiary undertakings at 31 December 2014, which are incorporated in the United Kingdom and are registered and operate in England and Wales (unless otherwise stated) are as follows:

Name of subsidiary	Proportion of ownership and voting interest %	Principal activity
EDF Energy (Cottam Power) Limited	100%	Provision and supply of electricity generation
EDF Energy (London Heat & Power) Limited	100%	Generation and supply of electricity and heat
EDF Energy (West Burton Power) Limited	100%	Power generation
Sutton Bridge Financing Limited (incorporated in Cayman islands)	100%	Financial activities
The Barkantine Heat & Power Company Limited	100%	Generation and supply of electricity and heat
EDF Energy Round 3 Isle of Wight Limited	51%	Holding company
EDF Energy (Northern Offshore Wind) Limited	100%	Renewable energy generation
Norfolk Offshore Wind Limited	100%	Renewable energy generation

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

12 Investments in joint ventures

	2014 £ 000	2013 £ 000
Investments in joint ventures	<u>144,789</u>	<u>105,470</u>
	Joint ventures £ 000	Total £ 000
Cost		
At 1 January 2014	105,470	105,470
Additions	144,789	144,789
Disposals	<u>(105,470)</u>	<u>(105,470)</u>
At 31 December 2014	<u>144,789</u>	<u>144,789</u>
Net book value		
At 31 December 2014	<u>144,789</u>	<u>144,789</u>

Name of subsidiary	Proportion of ownership and voting interest %	Principal activity
Joint ventures		
EDF Energy Renewables Holdings Limited	50%	Investment Holding Company
Braemore Wood Windfarm Limited*	50%	Operation of renewable generation
Royal Oak Windfarm Limited*	50%	Construction of renewable generation
Bicker Fen Windfarm Limited*	50%	Operation of renewable generation
Burnfoot Windfarm Limited*	50%	Operation of renewable generation
Fairfield Windfarm Limited*	50%	Operation of renewable generation
Boundary Lane Windfarm Limited*	50%	Operation of renewable generation
Walkway Windfarm Limited*	50%	Operation of renewable generation
Teesside Windfarm Limited*	50%	Operation of renewable generation
Longpark Windfarm Limited*	50%	Operation of renewable generation
Road Windfarm Limited*	50%	Construction of renewable generation
Burnhead Moss Windfarm Limited*	50%	Operation of renewable generation
EDF Energy Renewables Limited*	50%	Development of renewable generation
Barmoor Wind Power Limited*	50%	Operation of renewable generation
Blyth Offshore Demonstrator Limited*	50%	Operation of renewable generation
Fenland Windfarms Limited*	50%	Operation of renewable generation
Cemmaes Windfarm Limited*	50%	Operation of renewable generation
Llangwryfon Windfarms Limited*	50%	Operation of renewable generation
Great Orton Windfarm II Limited*	50%	Operation of renewable generation

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

12 Investments in joint ventures (continued)

Cold Northcott Windfarm Limited*	50%	Operation of renewable generation
First Windfarm Holdings Limited*	50%	Operation of renewable generation
High Hedley Hope Wind Limited*	50%	Operation of renewable generation
Red Tile Wind Limited*	50%	Operation of renewable generation
Corriemollie Windfarm Limited*	50%	Operation of renewable generation
Park Springs Windfarm Limited*	50%	Operation of renewable generation
Kirkheaton Wind Limited*	37.5%	Operation of renewable generation

* indirectly held

13 Investments in associates

	2014	2013
	£ 000	£ 000
Shares in associates	<u>5,000</u>	<u>20,031</u>

In July 2014, Barking Power Limited announced its intention to close due to the adverse market conditions for gas fired power generation and a prolonged period during which the station has been operating at low load factors. This led the Company to perform an impairment test on the carrying value of its investment in Barking Power limited which resulted in an impairment of £5,103k.

During 2014, as part of the group restructure, the Company sold its investment in Fallago Rig Windfarm Limited, an associate, to EDF Energy Renewables Holdings Limited, a joint venture. The Company continues to have an indirectly held investment in Fallago Rig Windfarm Limited, which remains an associate.

	Associates
	£ 000
Cost	
At 1 January 2014	20,031
Disposals	<u>(9,928)</u>
At 31 December 2014	<u>10,103</u>
Provision for impairment	
Impairment recognised against carrying value of Barking Power limited	<u>(5,103)</u>
At 31 December 2014	<u>5,103</u>
Net book value	
At 31 December 2014	<u>5,000</u>
At 31 December 2013	<u>20,031</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

13 Investments in associates (continued)

Name	Proportion of ownership and voting interest %	Principal activity
Associates		
Barking Power Limited	18.59%	Operation of power generation
Navitus Bay Development Limited*	25.5%	Construction of renewable generation
Lewis Wind Power Limited*	25.0%	Construction of renewable generation
Fallago Rig Windfarm Limited*	10.0%	Operation of renewable generation
Green Rigg Windfarm Limited*	10.0%	Operation of renewable generation
Rusholme Windfarm Limited*	10.0%	Operation of renewable generation
Glass Moor II Windfarm Limited*	10.0%	Operation of renewable generation
* indirectly held		

14 Other investments

	2014 £ 000	2013 £ 000
Other investments	<u>16</u>	<u>16</u>

Other investments at 31 December 2014, which are incorporated in the United Kingdom and are registered and operate in England and Wales are as follows:

	Percentage of ordinary shares held	Principal activity
South East London Combined Heat and Power Limited	1.59%	Municipal waste incinerators

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

15 Debtors

	2014 £ 000	2013 £ 000
Debtors: amounts falling due within one year		
Amounts owed by Group undertakings	5,345	5,606
Corporation tax debtor	-	357
Other debtors	993	1,266
	<u>6,338</u>	<u>7,229</u>
Debtors: amounts falling due after more than one year		
Loans to associates	-	13,348
Loans to subsidiaries	53,834	53,672
Provisions against loans to subsidiaries	(52,964)	(50,549)
Loans to joint ventures	79,425	48,755
	<u>80,295</u>	<u>65,226</u>
	<u>86,633</u>	<u>72,455</u>

16 Deferred taxation

Deferred tax shown against pension liability

The movement in the deferred tax asset in the year is as follows:

	Deferred tax £ 000
At 1 January 2014	2,689
Credited to the profit and loss account	13
Credited to the STRGL	502
At 31 December 2014	<u>3,204</u>

17 Creditors: Amounts falling due within one year

	2014 £ 000	2013 £ 000
Borrowings from Group companies	180,206	180,258
Amounts owed to joint ventures	31,179	6,105
Amounts owed to other Group companies	9,357	5,705
Accruals	1,033	875
Corporation tax (Group relief payable)	79	-
Deferred consideration	-	6,502
	<u>221,854</u>	<u>199,445</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

18 Share capital

Allotted, called up and fully paid shares

	2014		2013	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>

19 Reserves

	Share capital	Capital redemption reserve	Profit and loss account	Total
	£ 000	£ 000	£ 000	£ 000
Opening shareholders' funds	3,000	(43)	8,544	11,501
Profit for the year	-	-	10,238	10,238
Actuarial loss on pension schemes	-	-	(5,925)	(5,925)
Deferred tax relating to actuarial loss on pension schemes	-	-	1,236	1,236
At 31 December 2014	<u>3,000</u>	<u>(43)</u>	<u>14,093</u>	<u>17,050</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

20 Pension commitments

Defined benefit pension schemes

The Company forms part of two funded defined benefit pension schemes for qualifying UK employees - the EDF Energy Pension Scheme (EEPS), and the EDF Energy Generation & Supply Group of the Electricity Supply Pension Scheme (EEGSG). The schemes are administered by separate boards of Trustees which are legally separate from the Group. The trustees are required by law to act in the interest of all relevant beneficiaries and are responsible for the investment policy with regard to the assets plus the day-to-day administration of the benefits.

Under the EEGSG, employees are generally entitled to annual pensions on retirement at age 60 or 63 (again, depending on the date of joining the scheme) of one-eightieth of final pensionable salary for each year of service plus a lump sum of three-eightieths of final pensionable salary for each year of service. Under EEPS, employees are generally entitled to an annual pension at age 65 of between one-fiftieth and one-eightieth (depending on their level of contribution) of final pensionable salary for each year of service. All schemes also pay benefits on death or other events such as withdrawing from active service. All benefits are ultimately paid in accordance with the scheme rules.

The latest full valuations of the EEGSG, and EEPS were carried out by qualified actuaries at 31 March 2013. The present value of the defined benefit obligation and the related current service cost were measured using the projected unit credit method.

Funding requirements

UK legislation requires that pension schemes are funded prudently.

The last funding valuations of the EEGSG and the EEPS were carried out by qualified actuaries as at 31 March 2010 and showed deficits of £86.2m and £35.5m respectively. The Group pays contributions to repair these deficits and contributions in respect of ongoing benefit accrual. The 31 March 2013 funding valuations for the EEGSG and the EEPS are expected to be completed during 2015.

Principal actuarial assumptions

The principal actuarial assumptions at the balance sheet date are as follows:

	2014 %	2013 %
Discount rate- EEGS	3.6	4.4
Discount rate- EEPS	3.7	4.4
Retail price index ("RPI") inflation assumption- EEGS	3.2	3.5
Retail price index ("RPI") inflation assumption- EEPS	3.2	3.5
Rate of increase in salaries- EEGS	3.1	3.5
Rate of increase in salaries- EEPS	3.1	3.5
-full retail price indexation	3.2	3.5
-RPI up to 5% (EEPS- service to 31 March 2009)	3.0	3.2
-RPI up to 2.5% (EEPS- service from 31 March 2006)	2.1	2.1

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

20 Pension commitments (continued)

The table below shows details of the assumptions around mortality rates used to calculate the FRS17 EEGS and EEPS liabilities.

	2014	2013
	Years	Years
EEGS		
Life expectancy for current male pensioner aged 60	27	27
Life expectancy for current female pensioner aged 60	30	30
Life expectancy for future male pensioner currently aged 40 from age 60	29	29
Life expectancy for future female pensioner currently aged 40 from age 60	32	32
	2014	2013
	Years	Years
EEPS		
Life expectancy for current male pensioner aged 65	23	23
Life expectancy for current female pensioner aged 65	25	25
Life expectancy for future male pensioner currently aged 45 from age 65	24	24
Life expectancy for future female pensioner currently aged 45 from age 65	27	27

These assumptions are governed by FRS 17 and do not reflect the assumptions used by the independent actuary in the triennial valuation as at 31 March 2010 which determined the Company's contribution rate for future years.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

20 Pension commitments (continued)

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the balance sheet are as follows:

	EEGS 2014 £ 000	EEPS 2014 £ 000	Total 2014 £ 000	Total 2013 £ 000
Fair value of scheme assets	147,047	14,150	161,197	135,743
Present value of scheme liabilities	<u>(159,318)</u>	<u>(17,899)</u>	<u>(177,217)</u>	<u>(149,188)</u>
Defined benefit pension scheme deficit	(12,271)	(3,749)	(16,020)	(13,445)
Deferred tax asset	<u>2,454</u>	<u>750</u>	<u>3,204</u>	<u>2,689</u>
Net liability in the balance sheet	<u>(9,817)</u>	<u>(2,999)</u>	<u>(12,816)</u>	<u>(10,756)</u>

Amounts recognised in the profit and loss account

	EEGS 2014 £ 000	EEPS 2014 £ 000	Total 2014 £ 000	Total 2013 £ 000
Amounts recognised in operating profit				
Current service cost	(4,194)	(2,840)	(7,034)	(5,908)
Amounts recognised in interest receivable				
Interest cost	(6,347)	(675)	(7,022)	(6,004)
Expected return on scheme assets	<u>7,194</u>	<u>608</u>	<u>7,802</u>	<u>5,566</u>
Recognised in interest receivable	<u>847</u>	<u>(67)</u>	<u>780</u>	<u>(438)</u>
Total recognised in the profit and loss account	<u>(3,347)</u>	<u>(2,907)</u>	<u>(6,254)</u>	<u>(6,346)</u>

The movements in the fair value of scheme assets during the period were as follows:

	EEGS 2014 £ 000	EEPS 2014 £ 000	Total 2014 £ 000	Total 2013 £ 000
Fair value at start of period	125,114	10,629	135,743	117,355
Expected return on assets	7,194	608	7,802	5,566
Actuarial gains	11,552	3,178	14,730	7,173
Employer contributions	3,630	2,560	6,190	6,169
Deficit repair payments	3,154	260	3,414	3,310
Benefits paid	<u>(3,597)</u>	<u>(3,085)</u>	<u>(6,682)</u>	<u>(3,830)</u>
Fair value at end of year	<u>147,047</u>	<u>14,150</u>	<u>161,197</u>	<u>135,743</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

20 Pension commitments (continued)

Movements in the present value of the defined benefit obligation in the current period were as follows:

	EEGS 2014 £ 000	EEPS 2014 £ 000	Total 2014 £ 000	Total 2013 £ 000
Present value at start of year	136,673	12,515	149,188	129,869
Current service cost	4,194	2,840	7,034	5,908
Actuarial losses	15,701	4,954	20,655	11,237
Interest cost	6,347	675	7,022	6,004
Benefits paid	(3,597)	(3,085)	(6,682)	(3,830)
Present value at end of year	<u>159,318</u>	<u>17,899</u>	<u>177,217</u>	<u>149,188</u>

Analysis of assets

The major categories of scheme assets are as follows:

	EEGS 2014 £ 000	EEPS 2014 £ 000	Total 2014 £ 000	Total 2013 £ 000
Equity instruments	71,292	6,273	77,565	62,686
Debt instruments	69,880	4,151	74,031	23,824
Property	184	1,186	1,370	2,258
Cash	790	147	937	11,243
Other assets	4,901	2,493	7,394	35,732
	<u>147,047</u>	<u>14,250</u>	<u>161,297</u>	<u>135,743</u>

Amounts recognised in the statement of total recognised gains and losses

	EEGS 2014 £ 000	EEPS 2014 £ 000	Total 2014 £ 000	Total 2013 £ 000
At 1 January	(14,219)	(546)	(14,765)	(11,246)
Actuarial losses	(4,150)	(1,775)	(5,925)	(4,064)
Deferred taxation credit/(charge)	199	303	502	(225)
Current tax credit	678	56	734	770
At 31 December	<u>(17,492)</u>	<u>(1,962)</u>	<u>(19,454)</u>	<u>(14,765)</u>

History of experience adjustments on scheme assets and liabilities

Amounts for the current and previous 4 periods are as follows:

	2014 £ 000	2013 £ 000	2012 £ 000	2011 £ 000	2010 £ 000
Fair value of scheme assets	161,197	135,743	117,355	102,087	92,310
Present value of scheme liabilities	<u>(177,217)</u>	<u>(149,188)</u>	<u>(129,869)</u>	<u>(136,381)</u>	<u>(116,288)</u>
Deficit in scheme	<u>(16,020)</u>	<u>(13,445)</u>	<u>(12,514)</u>	<u>(34,294)</u>	<u>(23,978)</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

20 Pension commitments (continued)

Experience adjustments:

	2014	2013	2012	2011	2010
	£ 000	£ 000	£ 000	£ 000	£ 000
Experience adjustments arising on scheme assets	18,800	6,793	4,367	(2,216)	261
Experience adjustments arising on scheme liabilities	<u>(5,182)</u>	<u>1,378</u>	<u>1,857</u>	<u>-</u>	<u>293</u>

The pension scheme has not invested in any of the Company's own financial instruments or in properties or other assets used by the Company.

21 Related party transactions

The Company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the Group.

22 Parent undertaking and controlling party

EDF Energy plc holds a 100% interest in the Company and is considered to be the immediate parent company. EDF Energy Holdings Limited is the smallest group for which consolidated financial statements are prepared. Copies of that company's consolidated financial statements may be obtained from 40 Grosvenor Place, Victoria, London, SW1X 7EN.

At 31 December 2014, Electricité de France SA, a company incorporated in France, is regarded by the Directors as the Company's ultimate parent company and controlling party. This is the largest group for which consolidated financial statements are prepared. Copies of that company's consolidated financial statements may be obtained from Electricité de France SA, 22-30 Avenue de Wagram, 75382, Paris, Cedex 08, France.