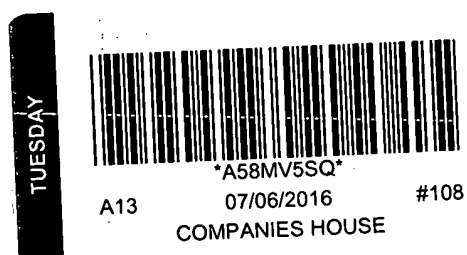


Company No: 04171447

VEOLIA ENERGY CLEANPOWER TWO UK LIMITED

Financial Statements

For the Year Ended 31 December 2015



Veolia Energy Cleanpower Two UK Limited

For the Year Ended 31 December 2015

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Veolia Energy Cleanpower Two UK Limited

Company Information

Directors	P Gilroy S Patton D Thompson
Secretary	C Gough
Registered office	210 Pentonville Road London N1 9JY
Registered number	04171447
Auditors	Ernst & Young LLP 1 Bridgewater Place Water Lane Leeds LS11 5QR
Bankers	Barclays Bank Plc 1 Churchill Place Canary Wharf London E14 5HP

Veolia Energy Cleanpower Two UK Limited

Strategic Report

31 December 2015

Principal activities

The principal activity of the company was the provision of energy services from Combined Heat and Power plants ('CHP').

Review of the year

The contract operated by the company finished in 2013 and the Company is no longer trading. In December 2015, the Company waived the amounts due from its parent undertaking, Veolia Energy & Utility Services UK Plc.

What significant risks and uncertainties does the Company face?

In common with all businesses, the Company is affected by a number of factors, not all of which are wholly within our control. Although many of the risk factors influencing our performance are macroeconomic and likely to affect the performance of businesses generally, others are particular to our operations.

The principal risks and uncertainties of the Company are consistent with those that affect the whole Veolia Energy UK Group (comprising Veolia Energy UK Plc and its subsidiaries) and these are included in the accounts of Veolia Energy UK Plc whose address can be found in note 12.

Health and Safety, Quality and Environment

Veolia Energy UK Plc and its subsidiaries remain fully committed to respecting our corporate, legal and social responsibilities for Health, Safety, Quality and the Environment. Within Veolia this is a top priority. Each year we strive to make improvements to our systems and performances. The Health and Safety theme for 2015 was "Coming Together to Improve Health & Safety" which was about the coming together of the Water, Waste and Energy business in the UK and working to integrate our management systems, procedures and standardise our approach. Continuing on this path our theme for 2016 is "Think Safe, Work Safe, Home Safe". This is ensuring that everyone understands that they are responsible for health and safety within our Organisation.

We maintained health, safety and quality to OSHAS18001, ISO14001 and ISO9001 certification across the Company.

Approved by the Board on 31 May 2016.



S Patton
Director

Veolia Energy Cleanpower Two UK Limited

Report of the Directors

The Directors present their report and the audited financial statements of Veolia Energy Cleanpower Two UK Limited for the year ended 31 December 2015.

Going concern

The financial statements have been prepared on a break up basis and it is the intention of the directors to move to dissolve the Company once permission has been received from HMRC.

Financial Instrument risk

Details surrounding the Company's exposure to Financial Instrument risk can be found in note 8.

Directors and their interests

The present membership of the Board is set out on page 1. All of the directors held office throughout the year.

None of the directors had any notifiable interest in the share capital of the Company or other Group undertakings at 31 December 2015.

Dividends

The directors do not recommend the payment of a dividend for the year (2014: £Nil).

Donations

No charitable or political donations were made by the Company during the year (2014: £Nil).

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Ernst and Young LLP will continue in office in accordance with section 487 of the Companies Act 2006.

Approved by the Board on 31 May 2016.



S Patton
Director

Veolia Energy Cleanpower Two UK Limited

Directors Responsibilities Statement

31 December 2015

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the Financial Statements in accordance with applicable United Kingdom law and regulations and those International Financial Reporting Standards as adopted by the European Union. Company law requires the directors to prepare financial statements for each financial year.

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 for each financial year. In preparing these financial statements, the directors are required to:

- present fairly the financial position, financial performance and cash flows of the company;
- select suitable accounting policies and apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and estimates that are reasonable and prudent;
- provide additional disclosures when compliance with the specific requirements in IFRSs as adopted by the European Union is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company's financial position and financial performance; and
- state that the company financial statements comply with IFRSs as adopted by the European Union.

The directors are responsible for keeping proper books of account that 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 Acts 2006 and Article 4 of the IAS regulation. 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 Veolia Energy Cleanpower Two UK Limited

We have audited the financial statements of Veolia Energy Cleanpower Two UK Limited (formerly Dalkia Cleanpower Two Limited) for the year ended 31 December 2015 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash Flows, and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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' Responsibilities Statement set out on page 4, 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 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 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 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 2015 and of the loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

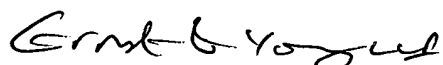
Opinion on other matters prescribed by the Companies Act 2006

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

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.



Eddie Diamond (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Leeds

Date: 6 June 2016

Veolia Energy Cleanpower Two UK Limited

Statement of Comprehensive Income

For the Year Ended 31 December 2015

		2015	2014
	Note	£000	£000
Cost of sales		(226)	-
Loss before taxation	4	(226)	-
Income tax (credit)/charge	5	(5)	1
(Loss)/profit for the financial year		(231)	1
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		(231)	1

The Company ceased trading in 2013.

Veolia Energy Cleanpower Two UK Limited

Statement of Changes in Equity

For the Year Ended 31 December 2015

	Share Capital £000	Retained earnings £000	Total £000
At 1 January 2014	280	(50)	230
Profit for the financial period	-	1	1
At 31 December 2014	280	(49)	231
Loss for the financial period	-	(231)	(231)
At 31 December 2015	280	(280)	-

Veolia Energy Cleanpower Two UK Limited

Statement of Financial Position

at 31 December 2015

	Note	2015 £000	2014 £000
Assets			
Property, plant and equipment	6	-	-
Total non-current assets		-	-
Trade and other receivables	7	-	218
Income tax receivable		-	13
Total current assets		-	231
Total assets		-	231
Equity			
Called up share capital	9	280	280
Retained earnings		(280)	(49)
Total equity attributable to equity holders of the parent		-	231
Total equity and liabilities		-	231

Approved by the Board of Directors on 31 May 2016.



S Patton
Director
Company registered number: 04171447

Veolia Energy Cleanpower Two UK Limited

Statement of Cash Flows

For the Year Ended 31 December 2015

	Note	2015 £000	2014 £000
Cash flows from operating activities			
(Loss)/profit for the financial year		(231)	1
<i>Adjustments for</i>			
(Gain) on sale of property, plant and equipment		(25)	-
Income tax credit	5	5	(1)
Operating profit before changes in working capital and provisions		(251)	-
Change in trade and other receivables	7	218	8
Cash (used in)/from operations		(33)	8
Taxation paid		8	(8)
Net cash (used in)/from operating activities		(25)	-
 Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		25	-
Net cash from investing activities		25	-
 Net movement in cash and cash equivalents		-	-
Cash and cash equivalents at 1 January		-	-
Cash and cash equivalents at 31 December		-	-

Veolia Energy Cleanpower Two UK Limited

Notes to the Financial Statements

For the Year Ended 31 December 2015

1 ACCOUNTING POLICIES

Veolia Energy Cleanpower Two UK Limited ("the Company") is a Company incorporated in the United Kingdom.

Statement of compliance

The Company has prepared its financial statements in accordance with International Financial Reporting Standards as adopted by the E.U. (adopted IFRSs) and its interpretations adopted by the International Accounting Standards Board (IASB).

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. The financial statements are presented in £ Sterling (rounded to thousands) being the functional and presentation currency of the Company's business operations.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions in 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 revision and future periods if the revision affects both current and future periods.

Judgements made by the management in the application of IFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the notes to the financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently for the year ended 31 December 2015 in the preparation of these financial statements.

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following amendments to IFRS effective as of 1 January 2015:

- Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

This did not have a material effect on the Company financial statements.

Standards issued but not yet effective

The following new standards, amendments and interpretations, issued by the International Accounting Standards Board (IASB) or the IFRS Interpretations Committee (formerly the International Financial Reporting Interpretations Committee or IFRIC), are not yet effective for the year ended 31 December 2015 and have not been applied in preparing these financial statements. This list contains those that the Company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Company intends to adopt these standards when they become effective:

- IFRS 15: Revenue from Contracts with Customers (effective 1 January 2018)
- IAS 16 and IAS 38: Clarifications of Acceptable Methods of Depreciation and Amortisation - Amendments to IAS 16 and IAS 38 (effective from 1 January 2016)
- IAS 32 Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)
- IFRS 9: Financial Instruments (effective from 1 January 2018).

The Company is assessing the impact of these new standards on the financial statements.

Going concern

The Financial Statements have been prepared on a break up basis and it is the intention of the directors to move to dissolve the Company once permission has been received from HMRC.

Property, plant and equipment

Items of qualifying assets within property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Veolia Energy Cleanpower Two UK Limited

Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2015

1 ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

Depreciation is provided on property, plant and equipment evenly over the expected useful lives as follows:

Plant at clients' premises	Over the period of the contract
----------------------------	---------------------------------

Where there is evidence of impairment to carrying values, property, plant and equipment are written down to their recoverable amount. Any such write down would be charged to operating profit.

Capitalisation of initial direct costs

Initial direct costs incurred in relation to secured long-term contracts are capitalised where management is satisfied that these costs have been separately identified and providing the profitability of the contract can be reasonably forecast. Such capitalised costs are then amortised over the life of the contract. Where the contract becomes loss making, the costs are immediately written off. Interest costs incurred in the funding of qualifying assets within long-term contracts are capitalised and amortised over the period of the contract.

Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the Statement of Financial Position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided, except as noted below, on temporary differences that have arisen but not reversed by the Statement of Financial Position date, where the temporary differences result in an obligation to pay more tax, or a right to pay less tax, in the future. Temporary differences arise because of differences between the treatment of certain items for accounting and taxation purposes.

Deferred tax assets are recognised to the extent that it is probable that future profits are available.

Deferred tax is measured at the tax rates that are expected to apply in the periods when the temporary differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the Statement of Financial Position date. Deferred tax assets and liabilities are not discounted.

Trade and other receivables

Trade and other receivables are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at their amortised cost. Provision is made when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recoverability is assessed as being remote.

Fair value

All assets and liabilities for which fair value is measured or disclosed in the financial statements are measured under IFRS 13.

2 STAFF NUMBERS AND COSTS

The company has no employees.

Veolia Energy Cleanpower Two UK Limited

Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2015

3 EMOLUMENTS OF THE COMPANY'S DIRECTORS

The directors received total remuneration for the year of £686k (2014: £488k), all of which was paid by Veolia Energy UK Plc. The directors do not believe that it is practical to apportion this amount between their services as directors of the company and their services as directors of Veolia Energy UK Plc and fellow subsidiary companies.

	2015	2014
	£000	£000
Aggregate emoluments of the directors were:		
Directors' fees	386	448
Other emoluments	281	16
Pension Contributions	19	24
	<u>686</u>	<u>488</u>

Emoluments of the highest paid director were £405k (2014: £183k). Pension contributions in respect of the highest paid director paid by the company were £6k (2014: £6k).

In addition to amounts paid to directors, other key management personnel received emoluments as follows:

	2015	2014
	£000	£000
Short-term employee benefits	450	567
Post-employment pension benefits	28	51
Redundancy payments	-	99
	<u>478</u>	<u>717</u>

4 OPERATING LOSS

Operating loss is stated after charging:

	2015	2014
	£000	£000
Included in cost of sales:		
(Gain) on sale of property, plant and equipment	(25)	-
Amounts due from parent undertaking waived	251	-
	<u>226</u>	<u>-</u>

Fees payable to the Company's auditors for the audit of these financial statements are £3k (2014: £3k). The fees have been borne by Veolia Energy UK Plc.

5 INCOME TAX

	2015	2014
	£000	£000
Recognised in the Statement of Comprehensive Income		
Current tax expense		
UK income tax	5	(13)
Total current tax	<u>5</u>	<u>(13)</u>

Veolia Energy Cleanpower Two UK Limited

Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2015

5 INCOME TAX (Continued)

	2015 £000	2014 £000
Recognised in the Statement of Comprehensive Income		
Deferred tax credit		
Originating and reversal of timing differences	-	12
Total deferred tax	-	12
Total income tax credit in Statement of Comprehensive Income	<u>5</u>	<u>(1)</u>
Reconciliation of effective tax rate		
Loss before tax	(226)	-
Tax calculated at UK standard rate of income tax 20.25% (2014: 21.5%)	(46)	-
Non deductible expenses/(income)	51	(1)
	<u>5</u>	<u>(1)</u>

On 8 July 2015 the Chancellor announced the reduction in the main rate of UK corporation tax to 19% with effect from 1 April 2017 and to 18% with effect from 1 April 2020. This change became substantively enacted on 26 October 2015 and will be reflected in the financial statements for 2017 and future periods as appropriate.

On 16 March 2016 the Chancellor announced a further reduction in the main rate of UK corporation tax to 17% with effect from 1 April 2020. This change has not yet been substantively enacted and has therefore not been reflected in these financial statements.

6 PROPERTY, PLANT AND EQUIPMENT

	Plant at clients' premises £000
Cost	
At 1 January and 31 December 2014	737
Disposals	(737)
At 31 December 2015	-
Depreciation and impairment losses	
At 1 January and 31 December 2014	737
Disposals	(737)
At 31 December 2015	-
Carrying value	
At 1 January and 31 December 2014	-
At 31 December 2015	-

Veolia Energy Cleanpower Two UK Limited

Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2015

7 TRADE AND OTHER RECEIVABLES

	2015 £000	2014 £000
Current		
Amounts owed by group undertakings	-	218
	<u>-</u>	<u>218</u>

In December 2015, the Company waived the amounts due from its parent undertaking, Veolia Energy & Utility Services UK Plc

8 FINANCIAL RISK MANAGEMENT

Capital management

The Company is not subject to externally-imposed capital requirements and there were no changes in the Company's approach to capital management during the year.

Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Company does not require collateral in respect of financial assets.

The maximum exposure to credit risk is represented by the carrying value of trade receivables.

Fair value

The fair value of cash, trade receivables, trade payables, other current receivables and other current payables approximates to their carrying values due to the short-term maturities of these financial instruments.

9 SHARE CAPITAL

	2015 £000	2014 £000
Authorised		
75,000,000 A ordinary shares of £1	75,000	75,000
75,000,000 B ordinary shares of £1	75,000	75,000
	<u>150,000</u>	<u>150,000</u>
Allotted, called up and fully paid		
140,000 A ordinary shares of £1	140	140
140,000 B ordinary shares of £1	140	140
	<u>280</u>	<u>280</u>

The "A" and "B" shares rank pari passu in all respects.

10 FINANCIAL COMMITMENTS

Capital commitments

The Company had no capital expenditure commitments at 31 December 2015 (2014: £Nil).

Other guarantees

The Company is registered with HM Customs & Excise as a member of a Group for VAT purposes, and as a result, jointly and severally liable on a continuing basis for amounts owing by other members of that Group in respect of unpaid VAT.

Veolia Energy Cleanpower Two UK Limited

Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2015

11 RELATED PARTY TRANSACTIONS

The Company has a related party relationship with its parent company and fellow subsidiaries of Veolia Energy UK Plc.

	Outstanding balance	
	31 December	
	2015	2014
	£000	£000
Parent		
Veolia Energy & Utility Services UK Plc	-	218

The balance due from Veolia Energy & Utility Services UK Plc relates to a non interest bearing intercompany loan that the Company waived in full in December 2015.

12 ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Veolia Energy & Utility Services UK Plc a company incorporated in Great Britain and registered in England and Wales. The UK ultimate parent undertaking and the ultimate parent undertaking of the smallest group for which consolidated financial statements are drawn up is Veolia Energy UK Plc. The largest ultimate controlling entity of Veolia Energy Cleanpower Two UK Limited is Veolia Environnement S.A.. Veolia Environnement S.A. is incorporated in France.

Copies of the accounts can be obtained from:
Veolia Energy UK Plc
210 Pentonville Road
London
N1 9JY

Veolia Environnement S.A.
36-38 avenue Kléber
75116 Paris
France