

Registered number: 02329494

**Corby Power Limited**  
**Annual Report and Financial Statements**  
**For the Year Ended 31 December 2019**

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## **Corby Power Limited**

### **Company Information**

#### **Directors**

M. Fogarty (resigned 6 March 2020)  
J. Healy (resigned 6 March 2020)  
M. Sinnott (appointed 1 August 2019, resigned 6 March 2020)  
S. Colleran (resigned 6 March 2020)  
I. McGregor (appointed 5 April 2019)  
D. Phelan (appointed 6 March 2020)  
M. Diac (appointed 6 March 2020)  
J. Redmond (resigned 1 August 2019)  
P. Smith (resigned 14 January 2019)

#### **Company secretary**

B. Corcoran

#### **Registered number**

02329494

#### **Registered office**

Mitchell Road  
Phoenix Parkway  
Corby  
Northants  
NN17 5QT

#### **Independent auditors**

PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

# **Corby Power Limited**

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## **Corby Power Limited**

### **Directors' Report For the Year Ended 31 December 2019**

The directors present their annual report and the financial statements for the year ended 31 December 2019.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards comprising Financial Reporting Standard 101 'Reduced Disclosure Framework' 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. The directors 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.

#### **Principal activity**

The company is engaged in the operation of a combined cycle gas turbine (CCGT) electricity generating station in Corby in Northamptonshire.

#### **Business review**

The Company entered into a Tolling Arrangement, with ESB Independent Generation Limited, in October 2017 which provided a guaranteed revenue in return for keeping the plant available. This agreement has been reviewed annually based on the Capacity and other market facing contracts and has now been extended until September 2021. The Station successfully secured a capacity contract in the 2016 T-4 Capacity auctions which committed the station to delivering capacity until September 2021. The subsequent T-3 and T-1 capacity auctions have seen a significant decrease in the value delivered and as a consequence Corby has seen a reduced profitability under the Tolling Arrangement. As a result, the Company restructured its operations in 2019 to try and minimise the impact of the declining market. The Company continues to adopt a risk based approach on its maintenance program to ensure the safety of its staff and contractors whilst minimising costs where possible.

The Company is committed to meeting environmental and safety targets which are consistent with the reasonable operation of the power station. In 2019 the Company met all of the key performance measures set for the 12 month period.

## **Corby Power Limited**

### **Directors' Report (continued) For the Year Ended 31 December 2019**

#### **Going concern**

The directors have adopted the going concern basis in preparing the financial statements. Further details are set out in note 1.4 to the financial statements.

#### **Results and dividends**

The loss for the year, after taxation, amounted to £4,103 thousand (2018 - loss £2,772 thousand).

No dividend was declared by the directors (2018 - £Nil).

#### **Directors**

The directors who served during the year were:

M. Fogarty (resigned 6 March 2020)  
J. Healy (resigned 6 March 2020)  
M. Sinnott (appointed 1 August 2019, resigned 6 March 2020)  
S. Colleran (resigned 6 March 2020)  
I. McGregor (appointed 5 April 2019)  
D. Phelan (appointed 6 March 2020)  
M. Diac (appointed 6 March 2020)  
J. Redmond (resigned 1 August 2019)  
P. Smith (resigned 14 January 2019)

On 11 February 2020, J. Healy resigned as company secretary and on the same date, B. Corcoran was appointed company secretary.

The directors and secretary had no disclosable interests in the shares of the company, or any other group company, as defined in section 177 of the Companies Act 2006, at 31 December 2019 or 31 December 2018.

#### **Political and charitable contributions**

The company made no political or charitable contributions during the year (2018 - £Nil).

#### **Qualifying third party indemnity provisions**

A directors' insurance policy is in place for directors acting for Corby Power Limited.

#### **Future developments**

The directors have no plans to change the activities and operations of the company in the foreseeable future.

#### **Branches**

The company has no branches.

## **Corby Power Limited**

### **Directors' Report (continued) For the Year Ended 31 December 2019**

#### **Principle risks and uncertainties**

The company's risk profile reflects the principal activities of the business and is summarised below. Management have established processes to mitigate major risk. The main risks facing the business are:

##### **1. Safety**

Given the nature of the company's activities in operating and maintaining the power station, the health and safety of staff, contractors, and the general public, is of paramount importance. Our policy is to adopt a systematic approach to health and safety management to create and maintain a safe working environment, and to ensure compliance with all relevant legal and regulatory requirements.

##### **2. Financial**

The main long term financial risk facing the company is the ability to sell power generated into the United Kingdom energy market. This risk had been mitigated by entering into a tolling agreement, whereby generation capacity is sold to a business operating in the wholesale electricity market and the company is limited to operational performance and is not subject to market uncertainty.

##### **3. Contractual**

In the course of its normal trading activities the company has entered into contracts with other entities operating within the United Kingdom energy market. These contracts have been reviewed and approved from a legal, insurance and financial perspective to ensure that no undue contractual risk exposure is created for the company.

#### **Key performance indicators**

The key performance indicators for the company are to maintain availability of the station for generation of electricity, and to satisfy any instruction to generate received from National Grid or ESB Independent Generation Trading Limited, ensuring that such generation is as efficient as possible.

The board has determined the following key performance indicators which address operational performance:

##### **1. Safety**

There were no safety incidents reported in 2019 (2018 - Nil).

##### **2. Environment**

There were no reportable environmental incidents in 2019 (2018 - Nil).

##### **3. Availability**

Availability is the amount of time that a generator is able to produce electricity over a certain period, divided by the amount of time in the period. The plant availability was approximately 99.9% (2018 - 85.6%).

## **Corby Power Limited**

### **Directors' Report (continued) For the Year Ended 31 December 2019**

#### **Financial management risks**

The main long term financial risk facing the company is the ability to sell power generated into the United Kingdom energy market. This risk has been mitigated by entering into a tolling contract. Under the contract, this risk is limited to operational performance and is not subject to market uncertainty.

The main financial risks arising from the company's operations are credit risk and liquidity risk.

##### **1. Credit risk**

The company's credit risk is primarily attributable to its intercompany debtors. In order to mitigate the credit risk, the directors of the company satisfy themselves of the customers' abilities to fulfil their financial obligations under the contract on a regular basis and act swiftly in the event of any issues arising.

The company also has cash held on deposit, the directors mitigate any risk of its recoverability by ensuring the deposit is held by a reputable financial institution with a good credit rating.

##### **2. Liquidity risk**

The company must ensure it has sufficient cash flows to be able to pay its liabilities as they fall due. This risk is managed by the company entering into a tolling agreement with ESB Independent Generation Trading Limited, which was designed to ensure the company has a source of income and cash receipts to support the management of its cash flows.

#### **Statement on relevant audit information**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information (within the meaning of section 418 (2) of the Companies Act 2006).

#### **Events since the end of the financial year**

The Covid-19 pandemic has created turbulence in financial markets and economic uncertainty, which will impact individuals and businesses. Given the nature of the Company's business, the directors do not believe that Covid-19 will have a material impact on the company. However, given the inherent uncertainties, there is a risk that this could change as the financial impact of Covid-19 on the Company's future financial performance becomes clearer.

There have been no other significant events since the Balance Sheet date that the directors believe require adjustment to, or disclosure in the financial statements.

#### **Small companies note**

The directors have taken advantage of the exemption provided by section 414B of the Companies Act 2006 in relation to the preparation of a Strategic Report. The directors have also taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006. Section 415A provides an exemption from section 416(3) which requires a statement of amount recommended by way of dividend.


**Corby Power Limited**

**Directors' Report (continued)  
For the Year Ended 31 December 2019**

**Auditors**

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

This report was approved by the board and signed on its behalf.

  
**I. McGregor**  
Director  
Date: 22 July 2020

## **Corby Power Limited**

### **Independent Auditors' Report to the Members of Corby Power Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion, Corby Power Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise:

- the Balance Sheet as at 31 December 2019;
- the Profit and Loss Account for the year then ended;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended;
- the notes to the financial statements, which include a description of the significant accounting policies.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### *Independence*

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

##### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

##### **Reporting on other information**

The other information comprises all of the information in the Annual Report and Financial Statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

## **Corby Power Limited**

### **Independent Auditors' Report to the Members of Corby Power Limited**

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### *Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the directors for the financial statements*

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

#### *Auditors' 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 auditors' 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## **Corby Power Limited**

### **Independent Auditors' Report to the Members of Corby Power Limited**

#### **Other required reporting**

##### **Companies Act 2006 exception reporting**

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

##### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Mary Cleary (Senior Statutory Auditor)

for and on behalf of

**PricewaterhouseCoopers**

Chartered Accountants and Statutory Audit Firm

Dublin  
Ireland

Date:

22 July 2020

**Corby Power Limited**

**Profit and Loss Account  
For the Year Ended 31 December 2019**

	Note	2019 £000	2018 £000
Turnover	3	3,265	4,791
Cost of sales		(6,678)	(6,650)
<b>Gross loss</b>		<b>(3,413)</b>	<b>(1,859)</b>
Administrative expenses		(683)	(1,477)
<b>Operating loss</b>		<b>(4,096)</b>	<b>(3,336)</b>
Interest receivable	7	26	38
Interest payable and similar expenses	8	(33)	(44)
<b>Loss on ordinary activities before taxation</b>		<b>(4,103)</b>	<b>(3,342)</b>
Taxation on loss on ordinary activities	9	-	570
<b>Loss for the financial year</b>		<b>(4,103)</b>	<b>(2,772)</b>

The notes on pages 13 to 24 form part of these financial statements.

**Corby Power Limited**

**Statement of Comprehensive Income  
For the Year Ended 31 December 2019**

	<b>2019 £000</b>	<b>2018 £000</b>
Loss for the financial year	<b>(4,103)</b>	<b>(2,772)</b>
<b>Total comprehensive loss for the year</b>	<b><u>(4,103)</u></b>	<b><u>(2,772)</u></b>

The notes on pages 13 to 24 form part of these financial statements.

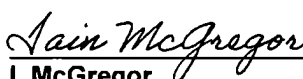
**Corby Power Limited**  
**Registered number: 02329494**

**Balance Sheet**  
**As at 31 December 2019**

	Note	2019 £000	2018 £000
<b>Fixed assets</b>			
Property, plant and equipment	10	-	-
		<hr/>	<hr/>
		-	-
<b>Current assets</b>			
Stocks	11	-	502
Trade and other receivables	12	16,901	16,400
Cash at bank and in hand	13	3,225	5,151
		<hr/>	<hr/>
		20,126	22,053
Trade and other payables falling due within one year	14	(15,127)	(13,094)
		<hr/>	<hr/>
<b>Net current assets</b>		4,999	8,959
<b>Total assets less current liabilities</b>		<hr/> 4,999	<hr/> 8,959
<b>Provisions for liabilities</b>			
Other provisions	15	(3,582)	(3,439)
		<hr/>	<hr/>
		(3,582)	(3,439)
<b>Net assets</b>		<hr/> 1,417	<hr/> 5,520
<b>Capital and reserves</b>			
Called up share capital	16	14,756	14,756
Profit and loss account		(13,339)	(9,236)
		<hr/>	<hr/>
<b>Shareholders' funds</b>		1,417	5,520
		<hr/>	<hr/>

The company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
**I. McGregor**  
 Director  
 Date: 22 July 2020

The notes on pages 13 to 24 form part of these financial statements.

**Corby Power Limited**

**Statement of Changes in Equity  
For the Year Ended 31 December 2019**

	Share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2019	14,756	(9,236)	5,520
<b>Comprehensive loss for the year</b>			
Loss for the year	-	(4,103)	(4,103)
<b>At 31 December 2019</b>	<b>14,756</b>	<b>(13,339)</b>	<b>1,417</b>

**Statement of Changes in Equity  
For the Year Ended 31 December 2018**

	Share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2018	14,756	(6,464)	8,292
<b>Comprehensive loss for the year</b>			
Loss for the year	-	(2,772)	(2,772)
<b>At 31 December 2018</b>	<b>14,756</b>	<b>(9,236)</b>	<b>5,520</b>

The notes on pages 13 to 24 form part of these financial statements.

**Notes to the Financial Statements  
For the Year Ended 31 December 2019**

**1. Accounting policies**

Corby Power Limited is a limited company incorporated and operating in the United Kingdom. The company is engaged in the operation of a combined cycle gas turbine (CCGT) electricity generating station in Corby in Northamptonshire. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The financial statements are presented in Sterling, which is the functional currency of the company, rounded to the nearest thousand.

**1.1 Basis of preparation of financial statements**

The financial statements of Corby Power Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, except for derivative financial instruments which are valued at fair value, and in accordance with the Companies Act 2006.

**1.2 Financial Reporting Standard 101 - reduced disclosure exemptions**

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- IAS 1: Presentation of Financial Statements: Certain disclosures including comparative information
- IAS 7: Statement of Cash Flows: A Cash Flow Statement and related notes
- IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors
- IAS 24: Related Party Disclosures: Disclosures in respect of transactions entered into between two or more members of the ESB Group, provided that any subsidiary which is a party to the transaction is a wholly owned subsidiary
- IAS 24: Related Party Disclosures: Disclosures in respect of the compensation of key management personnel
- IFRS 15: Revenue from Contracts with Customers: Disclosure requirements of paragraphs 110, 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129

As the consolidated financial statements of Electricity Supply Board (ESB), the company's parent undertaking, include the equivalent disclosures, the company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 7: Financial Instrument Disclosures: Disclosures relating to financial instruments
- IFRS 13: Fair Value Measurement
- IAS 36: Impairment of Assets

**1.3 New standards, amendments and IFRIC interpretations**

**IFRS 16 Leases**

IFRS 16 is a new accounting standard that is effective from 1 January 2019 and has had no impact on the company's financial statements for the year ended 31 December 2019.

**Notes to the Financial Statements  
For the Year Ended 31 December 2019**

**1. Accounting policies (continued)**

**1.4 Going concern**

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the company adopts the going concern basis in preparing its financial statements.

**1.5 Foreign currency translation**

Transactions in foreign currencies are recorded at the rate ruling at the date of transactions. The resulting monetary assets and liabilities are translated at the rate ruling at the Balance Sheet date and the exchange differences are dealt with in the Profit and Loss Account. Non-monetary assets and liabilities measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

**1.6 Tangible fixed assets**

Property, plant and equipment is stated at cost less accumulated depreciation and provisions for impairment in value, except for land which is shown at cost less impairment. Property, plant and equipment includes capitalised employee, interest and other costs that are directly attributable to the asset.

The charge for depreciation is calculated to write down the cost of property, plant and equipment to its estimated residual value over its expected useful life using methods appropriate to the nature of the company's business and to the character and extent of its property, plant and equipment. No depreciation is provided on freehold land or on assets in the course of construction. The major asset classification and their allotted life spans are:

Plant and machinery	-	20 years
Fixtures, fittings and equipment	-	5 -10 years

Depreciation is provided on a straight-line basis for all depreciable assets from the date of commissioning (date available for use).

Reviews of depreciation rates and residual values are conducted annually.

Subsequent expenditure on property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged in the Profit and Loss Account during the financial period in which they are incurred.

**1.7 Impairment**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation and amortisation are tested for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGU).

**Notes to the Financial Statements  
For the Year Ended 31 December 2019**

**1. Accounting policies (continued)**

For power generation assets, value in use is based on the estimated cash flows expected to be generated by the asset and is based on estimates of forecast power generation and forecast power, gas, carbon and capacity prices and the timing and extent of operating costs and capital expenditure. These cash flows are discounted to their present value using a pre-tax discount rate that reflects the current markets assessment of the time value of money and the risks specific to the asset.

**1.8 Stocks**

Stocks are carried at the lower of cost and net realisable value. Cost comprises all purchase price and direct costs that have been incurred in bringing the stocks to their present location and condition. Net realisable value is based on normal selling price less further costs expected to be incurred prior to disposal.

Specific provision is made for damaged, deteriorated, obsolete and unusable items where appropriate.

**1.9 Trade and other receivables**

Trade and other receivables are initially recognised at fair value, which is usually the original invoiced amount and subsequently carried at amortised cost using the effective interest method less provision made for impairment.

**1.10 Share capital**

Financial instruments that have been issued are classified as equity where they meet the definition of equity and confer on the holder a residual interest in the assets of the company. Ordinary shares are classified as equity.

**1.11 Cash at bank and in hand**

Cash at bank and in hand includes cash in hand, deposits repayable on demand and other short-term highly liquid investments with original maturities of three months or less.

**1.12 Turnover**

Capacity fee revenue is recognised in accordance with the terms of the tolling contract with ESB Independent Generation Trading Limited. Capacity fee revenue relates to the capacity income from the customers for making the plant available as required and it has been recognised over time.

**1.13 Trade and other payables**

Creditors and other payables are initially recorded at fair value, which is usually the original invoiced amount, and subsequently carried at amortised cost using the effective interest rate method.

**1.14 Interest receivable and similar income**

Interest income comprises interest income on bank deposits, which attract interest at prevailing deposit interest rates.

**Notes to the Financial Statements  
For the Year Ended 31 December 2019**

**1. Accounting policies (continued)**

**1.15 Amounts payable to and receivable from Group companies**

Intercompany debtors and creditors, including loans, are non-derivative financial assets and liabilities which are not quoted in an active market. Those with maturities less than twelve months after the Balance Sheet date are included in current assets and current liabilities respectively. Those with maturities greater than twelve months after the Balance Sheet date are included in non-current assets or liabilities, as appropriate. The balances are initially recorded at fair value and thereafter at amortised cost, less provision for impairment.

**1.16 Current and deferred taxation**

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the Profit and Loss Account, except to the extent that it relates to items recognised directly in other comprehensive income or equity.

**Current tax**

Current tax is provided at current rates and is calculated on the basis of results for the period.

**Deferred tax**

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised only to the extent that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which temporary differences reverse, based on tax rates and laws enacted or substantively enacted at the Balance Sheet date.

**1.17 Provisions**

A provision is recognised if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised in Interest payable and similar charges.

**Provision for asset retirement obligations**

The provision for retirement and decommissioning of the power generation station represents the present value of the current estimate of the costs of closure of the station at the end of its useful life. The estimated costs of retirement obligations are recognised in full at the outset of the asset life, but discounted to present values using a risk free rate. The costs are capitalised in property, plant and equipment and are depreciated over the useful economic life of the station to which they relate. The costs are reviewed each year and amended as appropriate. Amendments to the discounted estimated costs are capitalised into the relevant assets and depreciated over the remaining life of those assets.

**Notes to the Financial Statements  
For the Year Ended 31 December 2019**

**1. Accounting policies (continued)**

**1.18 Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the expected credit loss calculations, based on the company's past history, existing market conditions and forward looking estimates at the end of each reporting period. For loans and balances with Group companies, the general approach permitted by IFRS 9 is applied, 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 losses to be recognised on these receivables. The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a life time expected loss allowance for all trade and other receivables.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, there is no impairment loss identified.

**2. Judgements in applying accounting policies and key sources of estimation uncertainty**

The preparation of financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. There are no judgements made by management in the application of FRS 101 that have a significant effect on the financial statements and estimates with a significant risk of material adjustment.

**1. Tolling arrangement**

A short term tolling arrangement exists between Corby Power Limited and a fellow subsidiary. The tolling arrangement does not meet the definition of a finance lease under the criteria set out in IFRS 16.

## Corby Power Limited

### Notes to the Financial Statements For the Year Ended 31 December 2019

#### 3. Turnover

An analysis of turnover by class of business is as follows:

	2019 £000	2018 £000
Capacity Sales (Tolling fee income)	3,265	4,791
	<u>3,265</u>	<u>4,791</u>

Analysis of turnover by country of destination:

	2019 £000	2018 £000
United Kingdom	3,265	4,791
	<u>3,265</u>	<u>4,791</u>

#### 4. Operating Loss

The depreciation of property, plant and equipment was £Nil for 2019 (2018: £Nil).

#### 5. Auditors' remuneration

The following amounts were paid to the company's auditor in respect of the audit of the financial statements:

	2019 £000	2018 £000
Audit fee	6	6

The audit fee is paid by a fellow group company.

#### 6. Employees and directors' remuneration

The company has no employees other than the directors, who did not receive any remuneration (2018 - £Nil).

During the year, no director received any emoluments (2018 - £Nil) in respect of acting as directors of the company. Directors of the company are employees of ESB and are remunerated by ESB for their services.

Employee services are provided by other group companies and the company is charged for these services.

**Corby Power Limited**

**Notes to the Financial Statements  
For the Year Ended 31 December 2019**

**7. Interest receivable and similar income**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Bank interest receivable	<b>26</b>	<b>38</b>
	<u><b>26</b></u>	<u><b>38</b></u>
	<u><u><b>26</b></u></u>	<u><u><b>38</b></u></u>

**8. Interest payable and similar charges**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Financing cost of decommissioning provision	<b>33</b>	<b>44</b>
	<u><b>33</b></u>	<u><b>44</b></u>
	<u><u><b>33</b></u></u>	<u><u><b>44</b></u></u>

**9. Taxation**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>Corporation tax</b>		
Current tax credit on losses for the year	-	(570)
	<u>-</u>	<u>(570)</u>
	<u><u>-</u></u>	<u><u>(570)</u></u>
<b>Total current tax</b>	<u><b>-</b></u>	<u><b>(570)</b></u>
<b>Deferred tax</b>		
<b>Total deferred tax</b>	<u><b>-</b></u>	<u><b>-</b></u>
	<u><u><b>-</b></u></u>	<u><u><b>-</b></u></u>
<b>Taxation on loss on ordinary activities</b>	<u><b>-</b></u>	<u><b>(570)</b></u>
	<u><u><b>-</b></u></u>	<u><u><b>(570)</b></u></u>

**Notes to the Financial Statements  
For the Year Ended 31 December 2019**

**9. Taxation (continued)**

**Factors affecting tax charge/(credit) for the year**

The tax assessed for the year differs from (2018: differs from) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Loss on ordinary activities before tax	<b>(4,103)</b>	<b>(3,342)</b>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	<b>(780)</b>	<b>(635)</b>
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>27</b>	<b>56</b>
Other temporary differences not recognised	<b>-</b>	<b>9</b>
Group relief surrendered for Nil consideration	<b>753</b>	<b>-</b>
<b>Total tax charge/(credit) for the year</b>	<b>-</b>	<b>(570)</b>

**Factors that may affect future tax charges**

The UK corporation tax rate for the financial year was 19% (2018: 19%). The deferred tax liability at 31 December 2019 has been calculated based on the rate of 17% (2018: 17%) which was substantively enacted at the Balance Sheet date. The substantively enacted rate for the 31 December 2020 accounting period is 19%.

**Corby Power Limited**

**Notes to the Financial Statements  
For the Year Ended 31 December 2019**

**10. Property, plant and equipment**

	Freehold property £000	Plant and machinery £000	Fixtures and fittings £000	Total £000
<b>Cost or valuation</b>				
At 1 January 2019	800	208,344	1,503	210,647
At 31 December 2019	800	208,344	1,503	210,647
<b>Depreciation</b>				
At 1 January 2019	800	208,344	1,503	210,647
At 31 December 2019	800	208,344	1,503	210,647
<b>Net book value</b>				
At 31 December 2019	-	-	-	-
At 31 December 2018	-	-	-	-

**11. Stocks**

	2019 £000	2018 £000
Consumable spares	3,342	3,349
Stock provision	(3,342)	(2,847)
	-	502

**Corby Power Limited**

**Notes to the Financial Statements  
For the Year Ended 31 December 2019**

**12. Trade and other receivables**

	<b>2019 £000</b>	<b>2018 £000</b>
Amounts owed by group undertakings	<b>16,267</b>	15,635
Prepayments	<b>634</b>	568
VAT recoverable	<b>-</b>	197
	<b>16,901</b>	<b>16,400</b>

**13. Cash at bank and in hand**

	<b>2019 £000</b>	<b>2018 £000</b>
Cash at bank and in hand	<b>3,225</b>	5,151
	<b>3,225</b>	<b>5,151</b>

**14. Trade and other payables falling due within one year**

	<b>2019 £000</b>	<b>2018 £000</b>
Trade creditors	<b>143</b>	59
Amounts owed to group undertakings	<b>14,916</b>	12,822
VAT Receivable	<b>16</b>	-
Accruals	<b>52</b>	213
	<b>15,127</b>	<b>13,094</b>

# Corby Power Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

### 15. Other Provisions

	<b>Asset retirement provision £000</b>
At 1 January 2019	3,439
Charged to profit or loss	143
<b>At 31 December 2019</b>	<b><u>3,582</u></b>
Analysed as follows:	
Non-current liabilities	3,582
	<b><u>3,582</u></b>

The estimated value of future retirement costs at the Balance Sheet date include dismantling, site remediation and associated costs. The charge during the year relate to a revision of the estimated environmental and decommissioning cost and the unwinding of the discount which is recognised in Interest payable and similar charges.

### 16. Share capital

	<b>2019 £000</b>	<b>2018 £000</b>
<b>Authorised</b>		
14,850,000 (2018 - 14,850,000) Ordinary shares of £1.00 each	<b><u>14,850</u></b>	<u>14,850</u>
<b>Allotted, called up and fully paid</b>		
14,755,901 (2018 - 14,755,901) Ordinary shares of £1.00 each	<b><u>14,756</u></b>	<u>14,756</u>

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

### 17. Contingent liabilities and guarantees

The company is party to a bank guarantee facility for €85 million along with a number of its fellow Group companies.

**Notes to the Financial Statements  
For the Year Ended 31 December 2019**

**18. Post balance sheet events**

IAS 10 defines an adjusting event as an event that provides evidence of conditions that existed at the reporting date. A non-adjusting event indicates conditions that arose after the reporting date. The spread of the Covid-19 virus and its identification as a pandemic by the World Health Organisation does not provide additional evidence about the situation that existed at 31 December 2019, and it is therefore not an adjusting event.

The Covid-19 pandemic has created turbulence in financial markets and economic uncertainty, which will impact individuals and businesses. Given the nature of the Company's business, the directors do not believe that Covid-19 will have a material impact on the company. However, given the inherent uncertainties, there is a risk that this could change as the financial impact of Covid-19 on the Company's future financial performance becomes clearer.

There have been no other significant events since the Balance Sheet date that the directors believe require adjustment to, or disclosure in the financial statements.

**19. Controlling party**

The company is 100% owned by ESB Asset Development UK Limited, a company incorporated in the United Kingdom. ESB Asset Development UK Limited is a wholly owned subsidiary of the Electricity Supply Board (ESB), established and operating in Ireland, which is the ultimate parent. The largest and smallest group into which the results of the company are consolidated is that headed by ESB and the consolidated financial statements of ESB are available to the public and may be obtained from Two Gateway, East Wall Road, Dublin 3, Ireland.