Company number: 2730697

E.ON UK Cogeneration Limited

Strategic Report, Directors' Report and Financial Statements

for the Year Ended 31 December 2014

E.ON UK Cogeneration Limited

Strategic Report for the Year Ended 31 December 2014

The directors present their strategic report of the Company for the year ended 31 December 2014.

Fair review of the business

Continuing difficult trading conditions have hindered the results of the Company and the performance for the year has not met expected levels. This is reflected in the loss on ordinary activities before taxation of £6,793,000 (2013: profit of £1,967,000).

At 31 December 2014, a review of the appropriateness of the carrying value of the Company's plant portfolio was undertaken, resulting in an impairment charge of £3,986,000 (2013: charge of £6,176,000) and an impairment reversal of £2,615,000 (2013: reversal of £9,877,000) being recognised in the financial statements.

The Company continues to review its contractual obligations and there are no plans at present to initiate any new combined heat and power ('CHP') development projects.

At 31 December 2014, the Company had net assets of £6,807,000 (2013: net assets of £12,591,000). Further information regarding the financial position of the Company at the year end is provided in the Directors' Report.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the Company are considered to relate to commodity prices, credit risks and asset performance. The management of risks is undertaken at E.ON SE consolidated ('group') level. Further discussion of these risks and uncertainties, in the context of the group as a whole, is provided within the financial review section of the group's annual report which does not form part of this report.

Key performance indicators ('KPIs')

The Board of Management of E.ON SE manage the group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using KPIs for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Regional Unit UK division of E.ON SE, which includes the Company, is discussed within the financial review section of the group's annual report which does not form part of this report. The directors do not believe there are any further relevant KPIs that are not already disclosed within the financial statements.

Approved by the Board of Directors on 9 September 2015 and signed on its behalf by:

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R Matthies
Director

E.ON UK Cogeneration Limited
Company No: 2730697
Westwood Way
Westwood Business Park
Coventry
CV4 8LG

E.ON UK Cogeneration Limited

Directors' Report for the Year Ended 31 December 2014

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2014.

Directors of the Company

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

R Matthies

D A Leiper

R J Pennells

Principal activity

The Company's principal activity during the year and at the year end was the sale of energy and related services including the operation of CHP plant.

Results and dividends

The Company's loss for the financial year is £5,784,000 (2013: profit of £2,109,000). No interim dividends were paid during the year (2013: £nil). The directors do not recommend the payment of a final dividend (2013: £nil).

The directors believe that the present level of activity will be sustained in the current year.

Financial instruments

Objectives and policies

The Company, in common with other E.ON SE subsidiaries, must comply with the E.ON SE's group finance guidelines that set out the principles and framework for managing group-wide finances. The Company also utilises the E.ON UK plc operational treasury team which services the treasury requirements of the business. Further information on the E.ON SE group's policies and procedures is available in the financial statements of the E.ON SE group.

Price risk, credit risk, liquidity risk and cash flow risk

The management of risks is undertaken at the E.ON SE group level. Further discussion of these risks and uncertainties, in the context of the group as a whole, is provided within the financial review section of the group's annual report which does not form part of this report.

Political donations

No political donations were made during the year (2013: £nil).

Directors' indemnities

The Company maintains liability insurance for its directors and officers. This is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. This insurance cover was in force during the year and is still in force at the date of approving the Directors' Report.

Going concern

Notwithstanding the fact that the Company has been loss making and has net current liabilities, the directors have prepared the financial statements on the going concern basis. The directors have received confirmation from E.ON UK plc, the principal UK trading subsidiary of the E.ON UK group, of its intention to financially support the Company such that the Company can meet its obligations as they fall due for a period of at least twelve months from the date of the directors' approval of these financial statements.

Disclosure of information to the auditors

Each director has taken 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 auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 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; 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.

Approved by the Board of Directors on 9 September 2015 and signed on its behalf by:

....

R Matthies
Director

E.ON UK Cogeneration Limited
Company No: 2730697
Westwood Way
Westwood Business Park
Coventry
CV4 8LG

Independent Auditors' Report to the Members of E.ON UK Cogeneration Limited

Report on the financial statements

Our Opinion
In our opinion, E.ON UK Cogeneration Limited's financial statements (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 loss 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.

What we have audited
E.ON UK Cogeneration Limited's financial statements comprise:

• the balance sheet as at 31 December 2014;
• the profit and loss account for the year then ended; and
• the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received
Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Directors' remuneration
Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent Auditors' Report to the Members of E.ON UK Cogeneration Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors
As explained more fully in the Statement of directors' responsibilities set out on page 3, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves
We conducted our audit in accordance with ISAs (UK & Ireland)). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Strategic Report, Directors' 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.

Matthew Walker
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Matthew Walker (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

Date: 9 September 2015

E.ON UK Cogeneration Limited

Profit and Loss Account for the Year Ended 31 December 2014

	Note	2014 £ 000	2013 £ 000
Turnover	2	**24,654**	30,076
Cost of sales		**(17,430)**	(17,891)
Gross profit		**7,224**	12,185
Administrative expenses		**(12,745)**	(13,865)
Reversal of impairment of fixed assets	3	**2,615**	9,877
Impairment of fixed assets	3	**(3,986)**	(6,176)
Other operating income		**213**	1
Operating (loss)/profit	3	**(6,679)**	2,022
Interest receivable and similar income	5	**5**	56
Interest payable and similar charges	6	**(119)**	(111)
(Loss)/profit on ordinary activities before taxation		**(6,793)**	1,967
Tax on (loss)/profit on ordinary activities	7	**1,009**	142
(Loss)/profit for the financial year	15	**(5,784)**	2,109

Turnover and operating (loss)/profit derive wholly from continuing operations.

There are no material differences between the (loss)/profit on ordinary activities before taxation and the (loss)/profit for either of the years stated above and their historical cost differences.

The Company has no recognised gains or losses for the year, other than the results above and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 8 to 20 form an integral part of these financial statements.

E.ON UK Cogeneration Limited
(Company number: 2730697)
Balance Sheet as at 31 December 2014

	Note	2014 £ 000	2013 £ 000
Fixed assets			
Intangible assets	8	**1**	14
Tangible assets	9	**24,522**	27,321
		24,523	27,335
Current assets			
Stocks	10	**2,757**	2,890
Debtors	11	**45,889**	45,190
		48,646	48,080
Creditors: amounts falling due within one year	12	**(60,082)**	(57,147)
Net current liabilities		**(11,436)**	(9,067)
Total assets less current liabilities		**13,087**	18,268
Provisions for liabilities	13	**(6,280)**	(5,677)
Net assets		**6,807**	12,591
Capital and reserves			
Called up share capital	14	**-**	-
Profit and loss account	15	**6,807**	12,591
Total shareholders' funds	16	**6,807**	12,591

The financial statements on pages 6 to 20 were approved by the Board of Directors on 9 September 2015 and signed on its behalf by:

....

R Matthies
Director

E.ON UK Cogeneration Limited

The notes on pages 8 to 20 form an integral part of these financial statements.

1 Accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

The Company is exempt from preparing a cash flow statement as 90% or more of the voting rights are held within the E.ON SE group.

Going concern

Notwithstanding the fact that the Company has been loss making has net current liabilities, the directors have prepared the financial statements on the going concern basis. The directors have received confirmation from E.ON UK plc, the principal UK trading subsidiary of the E.ON group, of its intention to financially support the Company such that the Company can meet its obligations as they fall due for a period of at least twelve months from the date of the directors' approval of these financial statements.

Turnover

Turnover predominantly comprises revenue from the sale of electricity and steam to industrial and commercial customers, along with other income streams directly related to the operation of the plant portfolio. Turnover is recognised when earned on the basis of a contractual agreement with the customer. It reflects the value of the volume supplied. Turnover excludes value added tax.

Intangibles

Other intangibles relate to Levy Exemption Certificates (LECs) which are purchased from other group companies, capitalised at their acquisition cost and classified as an asset on the balance sheet. The consumption of LECs is recognised when they are sold on to other group companies.

Accrued income

Income recognised in advance of receipt is debited to an accrued income account and is recognised in the profit and loss account in the period to which it relates.

Tangible fixed assets

Tangible fixed assets are stated at original cost less accumulated depreciation and any provision for impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Plant and machinery relate primarily to generating assets.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	**Depreciation method and rate**
Plant and machinery	Straight-line basis over 2 - 40 years
Freehold buildings	Straight-line basis over 10 years

Estimated useful lives are reviewed periodically. No depreciation is provided on freehold land or assets in the course of construction.

Impairment
Impairments of assets are calculated as the difference between the carrying value of the asset and its recoverable amount, if lower. Recoverable amount is defined as the higher of fair value less costs to sell and estimated value in use at the date the impairment review is undertaken. Value in use represents the present value of expected future cash flows, discounted using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. Where such an asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the income generating unit.

Impairments are recognised in the profit and loss account and, where material, are disclosed separately.

If the reasons for previously recognised impairment losses no longer exist, such impairment losses are reversed and recognised in the profit and loss account. Such reversal shall not cause the carrying amount to exceed the amount that would have resulted had no impairment taken place in previous years.

Overhaul of generation plant
Major periodic overhaul costs on generation plant are capitalised as part of generating assets and depreciated on a straight-line basis over their useful economic life, typically the period until the next major overhaul.

Decommissioning costs
The fair value of a liability arising from the decommissioning of an asset is recognised in the period in which it is incurred and a reasonable estimate of the fair value can be made. When the provision is recorded, the Company capitalises the costs of the provision by increasing the carrying amount of the tangible fixed assets. In subsequent periods, the provision is accreted to its present value and the carrying amount of the asset is depreciated over its useful life. Changes to estimates arise, particularly when there are deviations from original cost estimates or changes to the payment schedule or the level of relevant obligation. The provision must be adjusted in the case of both negative and positive changes to estimates. Such an adjustment is usually effected through a corresponding adjustment to tangible fixed assets and is not recognised directly in the profit and loss account.

Stocks
Stocks are valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs. In general, stocks are recognised in the profit and loss account on a weighted average cost basis. The Companies Act 2006 requires stocks to be categorised between raw materials, work in progress and finished goods. Fuel stocks and stores are considered to be raw materials under this definition.

Foreign currency
Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction, unless related or matching forward foreign exchange contracts have been entered into, when the rate specified in that contract is used. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

Inter-company balances
Inter-company payable and receivable trading balances within the E.ON SE group are consolidated at each period end into a single balance with each group company. These transactions are net settled. As a result the directors consider it appropriate to present inter-company balances within these financial statements on a net basis. Formal loan balances are settled gross.

Offsetting
Financial assets and financial liabilities are offset and the net amount presented in the balance sheet, when the Company has a legally enforceable right to set off the recognised amounts and it intends either to settle on a net basis or realise the asset and settle the liability simultaneously.

Provisions
Provisions are recognised in the balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect is material, 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, where appropriate, the risks specific to the liability.

Future operating costs are not provided for.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under contract exceed the economic benefits expected to be received under it.

Taxation
The tax for the year is based on the (losses)/profits on ordinary activities for the year.

This takes into account full provision for deferred tax in respect of timing differences on a discounted basis, using the approach set out in Financial Reporting Standard 19 'Deferred tax'. Timing differences arise primarily from the differing treatment for taxation and accounting purposes of provisions and depreciation of fixed assets. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, or where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered.

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

Operating leases
Leases in which a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Pension costs
The Company contributes to a defined contribution pension scheme, and also a defined benefit group pension scheme operated by E.ON UK plc, the assets of which are invested in a separate trustee-administered fund. Further details of these schemes are available in E.ON UK plc's financial statements.

The Company is unable to identify its share of the underlying assets and liabilities of the group pension scheme. The Company has accounted for its contribution to the group pension scheme as if the scheme was a defined contribution scheme and accounts for contributions payable to the group pension scheme in the accounting period in which they fall due.

Related party transactions
The Company is exempt under the terms of Financial Reporting Standard 8 'Related Party Disclosures' from disclosing related party transactions with entities that are part of the E.ON SE group or investees of the E.ON SE group.

2 Turnover

The Company's turnover, all of which arises in the course of the Company's principal activity, arises in the UK.

3 Operating (loss)/profit

Operating (loss)/profit is stated after charging/(crediting):

	2014 £ 000	2013 £ 000
Operating leases - other assets	**76**	95
Foreign currency (gains)/losses	**(213)**	1
Depreciation of owned assets (note 9)	**3,908**	4,471
Reversal of impairment (note 9)	**(2,615)**	(9,877)
Impairment of tangible fixed assets (note 9)	**3,986**	6,176

At 31 December 2014, a review of the appropriateness of the carrying value of the Company's plant portfolio was undertaken, in accordance with FRS 11 'Impairments of fixed assets and goodwill'. The cash flows used in this impairment review were based on approved budgets and discounted at the E.ON UK plc group's cost of capital for CHP operations over a 4 year period. As a result of the review, an impairment charge of £3,986,000 (2013: £6,176,000) has been recorded in these financial statements. A tax credit of £797,000 (2013: £1,235,000) arose in respect of this item.

Also as a result of the review, an impairment reversal of £2,615,000 (2013: £9,877,000) has also been recorded in these financial statements. The reversal arose as a result of improvements in expected future cash flows due to higher forecast sales than previously anticipated. A tax charge of £523,000 (2013: £1,976,000) arose in respect of this item.

The discount rate used to calculate this impairment is a post-tax rate of 6.6% (2013: 6.6%).

Operating loss includes restructuring costs of £99,000 (2013: £nil) relating to severance costs following a reorganisation of operations at three sites to make the business more efficient and agile in the current economic environment.

Auditors' remuneration of £12,500 (2013: £12,500) was borne by E.ON UK plc, the intermediate parent undertaking, and not recharged.

The directors received no emoluments from the Company during the year (2013: £nil).

4 Employee information

The average monthly number of persons (excluding directors) employed by the Company or the E.ON UK plc group in respect of the Company during the year is set out below. In addition, £685,000 (2013: £968,000) of central salary costs associated with CHP activities in the UK have been recharged to the Company.

	2014 No.	2013 No.
Production	**31**	28

The associated salaries and related costs were:

	2014 £ 000	2013 £ 000
Wages and salaries	**2,142**	2,259
Social security costs	**168**	144
Other pension costs	**451**	340
	2,761	2,743

5 Interest receivable and similar income

	2014 £ 000	2013 £ 000
Interest receivable from group undertakings	**5**	-
Discount unwind on long term receivable	**-**	56
	5	56

6 Interest payable and similar charges

	2014 £ 000	2013 £ 000
Interest payable to group undertakings	**7**	3
Interest - accretion of discount	**112**	108
	119	111

7 Tax on (loss)/profit on ordinary activities

	2014 £ 000	2013 £ 000
Current tax		
Corporation tax credit	**(865)**	(473)
Adjustments in respect of previous periods	**(2)**	(191)
UK corporation tax	**(867)**	(664)
Deferred tax		
Origination and reversal of timing differences	**(439)**	844
Adjustment in respect of previous periods	**(4)**	185
Changes in tax laws and rates	**-**	(136)
Unwinding of deferred tax discount	**301**	(371)
Total deferred tax	**(142)**	522
Total tax on (loss)/profit on ordinary activities	**(1,009)**	(142)

The difference between the tax on the (loss)/profit on ordinary activities for the year and the tax assessed on the (loss)/profit on ordinary activities for the year assessed at the effective rate of corporation tax in the UK at 21.5% (2013: 23.25%) can be explained as follows:

	2014 £ 000	2013 £ 000
(Loss)/profit on ordinary activities before taxation	**(6,793)**	1,967
Corporation tax at effective rate	**(1,460)**	457
Effects of:		
Depreciation in excess of/(lower than) capital allowances	**447**	(985)
Other timing differences	**24**	4
Expenses not deductible for tax purposes	**124**	51
Adjustments in respect of prior years	**(2)**	(191)
Total current tax	**(867)**	(664)

During the year, the main rate of UK corporation tax was reduced to 21% effective from 1 April 2014. Legislation was included in the Finance Act 2013 to reduce the corporation tax rate from 21% to 20% effective from 1 April 2015.

Changes to the UK corporation tax rates were announced in the Chancellor's Budget on 8 July 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 18% from 1 April 2020. As the changes had not been substantively enacted at the balance sheet date their effects are not included in these financial statements.

The corporation tax receivable has been reduced by £867,000 because of group relief surrendered to a fellow group undertaking for which a payment will be received (2013: receipt of £664,000). Accordingly no tax losses are available for carry forward.

8 Intangible assets

	Other intangibles £ 000
Cost	
At 1 January 2014	14
Disposals	(13)
At 31 December 2014	1
Accumulated amortisation	
At 1 January 2014	-
At 31 December 2014	-
Net book value	
At 31 December 2014	1
At 31 December 2013	14

Other intangibles relate to LECs

9 Tangible assets

	Freehold land and buildings £ 000	Plant and machinery £ 000	Total £ 000
Cost			
At 1 January 2014	13	134,545	134,558
Additions	-	2,480	2,480
At 31 December 2014	13	137,025	137,038
Accumulated depreciation			
At 1 January 2014	1	107,236	107,237
Charge for the year	1	3,907	3,908
Impairment	-	3,986	3,986
Writeback to recoverable amount	-	(2,615)	(2,615)
At 31 December 2014	2	112,514	112,516
Net book value			
At 31 December 2014	11	24,511	24,522
At 31 December 2013	12	27,309	27,321

During the year changes in accounting estimates for the decommissioning provision resulted in additions of £746,000 (2013: disposals of £406,000) being recorded in these financial statements. The closing net book value includes £1,724,000 (2013: £1,038,000) relating to the assets associated to the cost of decommissioning the sites.

10 Stocks

	2014 £ 000	2013 £ 000
Fuel stocks	**76**	76
Stores	**2,681**	2,814
	2,757	2,890

11 Debtors

	2014 £ 000	2013 £ 000
Trade debtors	**2,024**	2,251
Amounts owed by group undertakings	**41,609**	41,297
Taxation and social security	**111**	-
Other debtors	**1,979**	1,567
Prepayments and accrued income	**166**	75
	45,889	45,190

Amounts owed by group undertakings include a loan to E.ON UK plc of £3,192,000 (2013: £nil) which is unsecured, bears interest at a rate of LIBOR minus 5 basis points, rolls forward (in principle and interest) on a daily basis, and is drawn from a credit facility of £30,000,000 which expires in December 2015. All other amounts are unsecured, interest free and repayable on demand.

12 Creditors: amounts falling due within one year

	2014 £ 000	2013 £ 000
Bank loans and overdrafts	**531**	-
Trade creditors	**168**	353
Amounts owed to group undertakings	**56,491**	54,434
Taxation and social security	**239**	380
Accruals and deferred income	**2,653**	1,980
	60,082	57,147

Amounts owed to group undertakings include loans of €130,000 (2013: €nil) and £nil (2013: £677,000) which are unsecured, bear interest at a rate of LIBOR + 50 basis points, and roll forward (in principle and interest) on a daily basis. All other amounts are unsecured, interest free and repayable on demand.

13 Provisions for liabilities

	Deferred tax £ 000	Emissions obligations £ 000	Decommissioning provisions £ 000	Restructuring £ 000	Total £ 000
At 1 January 2014	1,178	692	3,807	-	5,677
(Credited)/charged to the profit and loss account	(142)	540	-	99	497
Utilised during the year	-	(653)	-	(99)	(752)
Accretion of discount	-	-	112	-	112
Additions to tangible assets	-	-	746	-	746
	(142)	(113)	858	-	603
At 31 December 2014	1,036	579	4,665	-	6,280

Decommissioning provisions comprise amounts set aside for the estimated costs of decommissioning power stations and subsequent site restoration costs at UK power stations which will be utilised as each power station closes. The provision will be utilised when the sites are closed between 2019 and 2038.

Emission obligations represent amounts payable to national authorities for emissions made during the year. Emission obligations are settled on an annual basis.

The restructuring provision relates to the reorganisation of operations at three sites to make the business more efficient and agile in the current economic environment.

Analysis of deferred tax

	2014 £ 000	2013 £ 000
Difference between accumulated depreciation and amortisation and capital allowances	**2,243**	2,515
Other timing differences	**(933)**	(762)
Undiscounted provision for deferred tax	**1,310**	1,753
Discount	**(274)**	(575)
Discounted provision for deferred tax	**1,036**	1,178

The Finance Act 2013 included legislation to reduce the main rate of corporation tax to 20% with effect from 1 April 2015. The deferred tax liability at 31 December 2014 has been measured accordingly.

14 Called up share capital

Allotted and fully paid

	2014 No.	2014 £ 000	2013 No.	2013 £ 000
Ordinary shares of £1 each	**2**	**-**	2	-

15 Reserves

	Profit and loss account £ 000
At 1 January 2014	12,591
Loss for the financial year	(5,784)
At 31 December 2014	6,807

16 Reconciliation of movements in shareholders' funds

	2014 £ 000	2013 £ 000
(Loss)/profit attributable to the members of the Company	**(5,784)**	2,109
Net (reduction)/addition to shareholders' funds	**(5,784)**	2,109
Shareholders' funds at 1 January	**12,591**	10,482
Shareholders' funds at 31 December	**6,807**	12,591

17 Pension schemes

The Company participates in a funded group pension scheme operated by E.ON UK plc, which is part of an industry wide scheme, the Electricity Supply Pension Scheme. The pension scheme is of the defined benefit type and its assets are held in a separate trustee-administered fund.

The fund is valued every three years by a professionally qualified, independent actuary, the rates of contribution payable being determined by the actuary. In the intervening years the actuary reviews the appropriateness of the rates. The latest actuarial valuation of the scheme was at 31 March 2010. The actuarial valuation as at 31 March 2013 has not been completed.

Due to the complexity of actuarial calculations and the number of different companies contributing to the scheme, the Company is unable to identify its share of the underlying assets and liabilities in the scheme. Consequently, the Company accounts for the scheme as a defined contribution scheme. The cost of contributions to the scheme in the year amounts to £451,000 (2013: £340,000).

Further details of the scheme are available in E.ON UK plc's financial statements. Due to a deficit in the scheme, E.ON UK plc made a special contribution of £35,000,000 in January 2014 and £65,000,000 in January 2015. Under the existing schedule of contributions, a further payment of £35,000,000 is due to be made in January 2016. At the point that the 2013 valuation is completed, a further schedule of contributions will be agreed. None of this cost is expected to be recharged to the Company.

18 Ultimate parent

The Company is controlled by E.ON UK CHP Limited. The ultimate controlling party is E.ON SE, which is the parent company of the largest and smallest group to consolidate these financial statements. Copies of E.ON SE's financial statements are available from the offices of E.ON SE at the following address:

E.ON SE
E.ON-Platz 1
D-40479
Düsseldorf
Germany