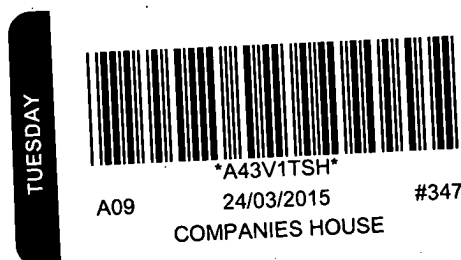


Financial Statements

Association of Electricity Producers Limited trading as Energy UK

For the year ended 31 December 2014



Registered number: 02779199

Association of Electricity Producers Limited trading as Energy UK
(A company limited by guarantee)

Company Information

Directors

Sir T D G Arculus (Chairman)
D S Braham
A D Cocker
S L Vaughan (alternate)
N Clitheroe
R P Steele (alternate)
J S L Davenport
P J Massara
P G O'Doherty
A N O'Hara
I Peters
P M A Phillips Davis
S Riley
D M Somerset
A P Spence
D C Thompson
M A Alder
L C Slade

Registered number

02779199

Registered office

Charles House
5-11 Regent Street
London
SW1Y 4LR

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
Colmore Plaza
20 Colmore Circus
Birmingham
West Midlands
B4 6AT

Bankers

Barclays Bank plc
Pall Mall Business Centre, 1 Pall Mall East
London
SW1Y 5AX

Solicitors

Wragge & Co
3 Waterhouse Square, 142 Holborn
London
EC1N 2SW

Association of Electricity Producers Limited trading as Energy UK
(A company limited by guarantee)

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Association of Electricity Producers Limited trading as Energy UK
(A company limited by guarantee)

Strategic report

For the year ended 31 December 2014

Business review

The surplus for the year was £105,346 (2013: £1,040,906). The directors consider this financial performance to be in line with expectations for the year. The reserves of Energy UK are now £1,544,509 which the Directors feel is appropriate for the size and nature of the organisation and would be sufficient to settle any potential future wind-up costs.

Principal risks and uncertainties

Requirements of members

The company is a trade body and as such is in existence in order to represent the views of its members. There is a risk that in the future membership may decide that representation is no longer required. To mitigate this risk a contingency reserve fund is being accumulated to deal with any future winding up cost.

Changes to laws and regulations

The organisation is potentially at risk in relation to significant changes made at a European and National level in relation to the manner of operation and regulation in the energy industry.

Funding risk

The organisation is mainly funded by its members and, as with any organisation, is at risk by default. This is mitigated by agreements with the members which requires all members to ensure that sufficient funding is provided to allow the organisation to continue as a going concern.

This report was approved by the board on 10th March 2015 and signed on its behalf.


L C Slade
Director

Association of Electricity Producers Limited trading as Energy UK
(A company limited by guarantee)

Directors' report

For the year ended 31 December 2014

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

Results

The profit for the year, after taxation, amounted to £105,346 (2013 - £1,040,906).

Directors

The directors who served during the year were:

The Rt Hon the Lord Spicer PC Kt (Chairman) (resigned 31 January 2015)

A A Knight (Chief Executive) (resigned 1 January 2015)

Sir T D G Arculus (Chairman) (appointed 9 December 2014)

D S Braham (appointed 6 February 2014)

A D Cocker

S L Vaughan (alternate)

N Clitheroe

R P Steele (alternate)

J S L Davenport

P J Massara

P G O'Doherty

A N O'Hara

I Peters

P M A Phillips Davis

K Maclean (alternate) (resigned 30 June 2014)

S Riley

D M Somerset

D C Thompson

A P Spence

M A Alder

Directors' report

For the year ended 31 December 2014

Directors' responsibilities statement

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

Disclosure of information to auditor

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

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that 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 auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 10th March 2015 and signed on its behalf.



L C Slade
Director

(A company limited by guarantee)



Independent auditor's report to the shareholders of Association of Electricity Producers Limited trading as Energy UK

We have audited the financial statements of the Association of Electricity Producers Limited trading as Energy UK for the year ended 31 December 2014, which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2014 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

(A company limited by guarantee)



Independent auditor's report to the shareholders of Association of Electricity Producers Limited trading as Energy UK

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.

Grant Thornton UK LLP

Martin Ramsey (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Birmingham
Date: 20/3/15

Association of Electricity Producers Limited trading as Energy UK
(A company limited by guarantee)

Income and expenditure account

For the year ended 31 December 2014

	Note	2014 £	2013 £
Turnover	1	7,550,471	8,282,446
Administrative expenses		<u>(7,453,135)</u>	<u>(7,885,783)</u>
Operating surplus	2	97,336	396,663
Exceptional items			
Income from merged organisations	5	<u>-</u>	<u>641,289</u>
Surplus on ordinary activities before interest		97,336	1,037,952
Interest receivable and similar income		<u>8,782</u>	<u>3,862</u>
Surplus on ordinary activities before taxation		106,118	1,041,814
Tax on profit on ordinary activities	6	<u>(772)</u>	<u>(908)</u>
Surplus for the financial year	10	<u><u>105,346</u></u>	<u><u>1,040,906</u></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Income and expenditure account.

The notes on pages 9 to 15 form part of these financial statements.

Association of Electricity Producers Limited trading as Energy UK
(A company limited by guarantee)
Registered number: 02779199

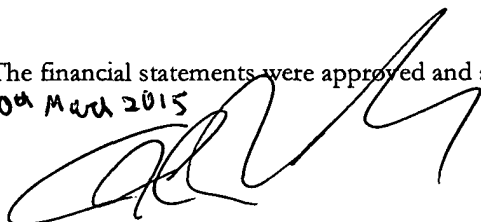
Balance sheet

As at 31 December 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	7		31,821		34,738
Current assets					
Debtors	8	2,666,807		2,302,905	
Cash at bank		3,235,038		1,815,820	
		<u>5,901,845</u>		<u>4,118,725</u>	
Creditors: amounts falling due within one year	9	<u>(4,389,157)</u>		<u>(2,714,300)</u>	
Net current assets			<u>1,512,688</u>		<u>1,404,425</u>
Net assets			<u>1,544,509</u>		<u>1,439,163</u>
Reserves					
Income and expenditure account	10		<u>1,544,509</u>		<u>1,439,163</u>
	11		<u>1,544,509</u>		<u>1,439,163</u>

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

10th March 2015



Sir D Arculus
Director

The notes on pages 9 to 15 form part of these financial statements.

Association of Electricity Producers Limited trading as Energy UK
(A company limited by guarantee)

Cash flow statement

For the year ended 31 December 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	16	1,436,418	(33,105)
Returns on investments and servicing of finance	17	8,782	3,862
Taxation		(771)	(363)
Capital expenditure and financial investment	17	(25,211)	(13,961)
Increase/(Decrease) in cash in the year		1,419,218	(43,567)

Reconciliation of net cash flow to movement in net funds

For the year ended 31 December 2014

	2014 £	2013 £
Increase/(Decrease) in cash in the year	1,419,218	(43,567)
Movement in net debt in the year	1,419,218	(43,567)
Net funds at 1 January 2014	1,815,820	1,859,387
Net funds at 31 December 2014	3,235,038	1,815,820

The notes on pages 9 to 15 form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2014

1. Accounting policies

1.1 Basis of preparation of financial statements

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

1.2 Turnover

Turnover represents the amount derived from member subscriptions to the association and other sales and services provided, stated net of value added tax. Where the association enters into projects revenue is recognised in line with costs incurred in the period.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	-	25% straight line
Office equipment	-	25% straight line
Computer equipment	-	25% straight line

1.4 Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.5 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. Operating surplus

The operating profit is stated after charging:

	2014	2013
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	22,943	12,825
Auditor's remuneration - audit services	10,000	13,355
Auditor's remuneration - non-audit	41,915	-
	<hr/>	<hr/>

Association of Electricity Producers Limited trading as Energy UK
(A company limited by guarantee)

Notes to the financial statements

For the year ended 31 December 2014

3. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2014	2013
	£	£
Wages and salaries	2,380,464	2,509,410
Social security costs	239,500	257,272
Other pension costs	76,745	90,255
	<u>2,696,709</u>	<u>2,856,937</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2014	2013
	No.	No.
Administrative staff	<u>37</u>	<u>34</u>

4. Directors' remuneration

	2014	2013
	£	£
Remuneration	<u>337,671</u>	<u>349,761</u>
Company pension contributions to defined contribution pension schemes	<u>15,450</u>	<u>15,000</u>

During the year retirement benefits were accruing to 1 director (2013 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £313,671 (2013 - £329,261) and pension contributions of £15,450 (2013 - £15,000).

Notes to the financial statements

For the year ended 31 December 2014

5. Exceptional items

	2014	2013
	£	£
Exceptional income	-	641,289

The business assets of Energy Retail Association (ERA) and UK Business Council for Sustainable Energy (UKBCSE) were merged on 2nd April 2012. Following the merger the three entities formed the Association of Electricity Producers trading as Energy UK and the remaining assets were transferred to Association of Electricity Producers during the year. UKBCSE is in the process of being liquidated and ERA and its subsidiary are dormant.

In the prior year, surplus funds were transferred to the Association of Electricity Producers of £491,121 from Energy Retail Association and £150,168 from Association of Energy Suppliers (AES). The surplus funds were transferred as a cash contribution in accordance with the Asset Purchase Agreement.

6. Taxation

	2014	2013
	£	£
UK corporation tax charge on investment income for the year	772	908

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 21.5% (2013 - 23.5%). The differences are explained below:

	2014	2013
	£	£
Surplus on ordinary activities before tax	106,118	1,041,814
Surplus on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 - 23.5%)	22,815	244,826
Effects of:		
Non-taxable income less expenses not deductible for tax purposes	(22,043)	(243,918)
Current tax charge for the year (see note above)	772	908

Notes to the financial statements

For the year ended 31 December 2014

7. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 January 2014	82,398	21,982	58,992	163,372
Additions	-	-	26,833	26,833
Disposals	(78,883)	(21,982)	(45,031)	(145,896)
At 31 December 2014	3,515	-	40,794	44,309
Depreciation				
At 1 January 2014	82,027	10,821	35,786	128,634
Charge for the year	439	4,286	18,218	22,943
On disposals	(78,951)	(15,107)	(45,031)	(139,089)
At 31 December 2014	3,515	-	8,973	12,488
Net book value				
At 31 December 2014	-	-	31,821	31,821
At 31 December 2013	371	11,161	23,206	34,738

8. Debtors

	2014 £	2013 £
Trade debtors	2,394,903	1,033,329
Other debtors	26,174	1,005,230
Prepayments and accrued income	245,730	264,346
	<u>2,666,807</u>	<u>2,302,905</u>

9. Creditors: Amounts falling due within one year

	2014 £	2013 £
Trade creditors	232,814	377,415
Corporation tax	1,116	1,115
Other taxation and social security	504,845	169,751
Accruals	594,506	591,370
Deferred income	3,055,876	1,574,649
	<u>4,389,157</u>	<u>2,714,300</u>

Notes to the financial statements

For the year ended 31 December 2014

10. Reserves

	Income and expenditure account £
At 1 January 2014	1,439,163
Surplus for the financial year	105,346
	<hr/>
At 31 December 2014	<u>1,544,509</u>

11. Reconciliation of movement in members' funds

	2014 £	2013 £
Opening members' funds	1,439,163	398,257
Surplus for the financial year	105,346	1,040,906
	<hr/>	<hr/>
Closing members' funds	<u>1,544,509</u>	<u>1,439,163</u>

12. Pension commitments

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £76,745 (2013 - £90,255)

13. Operating lease commitments

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Expiry date:				
Between 2 and 5 years	346,249	247,644	6,748	1,936
	<hr/>	<hr/>	<hr/>	<hr/>

Association of Electricity Producers Limited trading as Energy UK
(A company limited by guarantee)

Notes to the financial statements

For the year ended 31 December 2014

14. Related party transactions

The following directors are appointed to the Board as representatives of companies which are members of the Association.

M A Alder	Optimum Energy
A D Cocker	E.ON UK
A N O'Hara	Eggborough Power
P J Massara	RWE npower
D M Somerset	Intergen
S L Vaughan	E.ON UK
J S L Davenport	Good Energy
I Peters	British Gas
S Riley	International Power
P M Davis	SSE
A P Spence	EDF Energy
D S Braham	First Utility
N D Clitheroe	Scottish Power
D C Thompson	Drax Power
P G O'Doherty	ESB

Income for the above companies invoiced in the period totalled £7,354,567 (2013 - £1,978,140) and was received at arms length.

There were no payments made to these companies during the period.

At the balance sheet date the total of sales ledger balances relating to the companies listed above was £2,388,141 (2013 - £447,845).

The Rt Hon the Lord Spicer PC Kt, a former director and chairman of the company, received fees of £24,000 (2013 - £20,500) for services provided to the company.

15. Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

As at 31 December 2014 the company had 72 members.

Association of Electricity Producers Limited trading as Energy UK
(A company limited by guarantee)

Notes to the financial statements

For the year ended 31 December 2014

16. Net cash flow from operating activities

	2014	2013
	£	£
Operating profit	97,336	396,663
Exceptional items	-	641,289
Depreciation of tangible fixed assets	22,943	12,825
Loss on disposal of tangible fixed assets	5,185	-
(Increase)/decrease in debtors	(363,903)	1,263,509
Increase/(decrease) in creditors	1,674,857	(2,347,391)
Net cash inflow/(outflow) from operating activities	1,436,418	(33,105)

17. Analysis of cash flows for headings netted in cash flow statement

	2014	2013
	£	£
Returns on investments and servicing of finance		
Interest received	8,782	3,862
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(26,833)	(13,961)
Sale of tangible fixed assets	1,622	-
Net cash outflow from capital expenditure	(25,211)	(13,961)

18. Analysis of changes in net funds

	1 January 2014	Cash flow	Other non-cash changes	31 December 2014
	£	£	£	£
Cash at bank and in hand	1,815,820	1,419,218	-	3,235,038
Net funds	1,815,820	1,419,218	-	3,235,038