

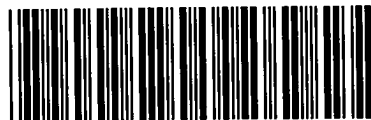
SEEBOARD Energy Gas Limited

Registered Number: 3042795

Annual Report and Financial Statements
for the Year Ended 31 December 2014

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Directors

Beatrice Bigois
John Healy
Jim Poole

Company Secretary

Joe Souto

Auditor

Deloitte LLP
2 New Street Square
London
EC4A 3BZ

Registered Office

40 Grosvenor Place
Victoria
London
SW1X 7EN

STRATEGIC REPORT

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

Principal activity

On 1 September 2005, SEEBOARD Energy Gas Limited entered into an agreement to enable EDF Energy Customers plc, a fellow Group company, to service the existing SEEBOARD customer contracts under the EDF Energy Brand. This agreement ran until August 2015 and provided access to business synergies, while positioning EDF Energy Holdings Limited (the "Group") for the future. The total licence fee of £52m was being recognised over the term of this agreement. However in 2014 EDF Energy Customers plc exercised an option to pay £2m to purchase the customer contracts. The £2m termination payment and entire remaining licence fee income of £8.7m were recognised as income in the year. The Company is anticipated to cease trading as a consequence of selling its customers to EDF Energy Customers plc in December 2014.

Review of the business

The profit for the year, before taxation, amounted to £10,667k (2013: £5,200k) and after taxation, amounted to £10,538k (2013: £5,000k).

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

Going concern

The Company's licence agreement with EDF Energy Customers plc has been terminated effective from December 2014 when EDF Energy Customers plc purchased the Company's customers. As there is no other income stream within the Company, the Company ceased to trade from December 2014. Therefore the Directors have prepared the Company's financial statements on a basis other than that of a going concern. Further details are provided in the statement of accounting policies in note 1 to the financial statements.

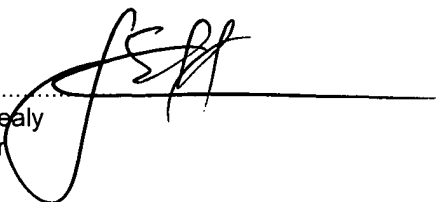
Principal risks and uncertainties

The Company considers its principal risk to arise from financial risk through its financial assets and liabilities. Due to the nature of the Company's business and the assets and liabilities contained within the Company's balance sheet, the only financial risks the Directors consider relevant to this Company are credit risk and liquidity risk.

The Company's exposure to credit and liquidity risk is reduced as it is a 100% subsidiary of the EDF Energy Group of Companies. Credit risk is mitigated by the nature of the debtor balances owed, with these due from other Group companies who are able to repay these if required, and liquidity risk is mitigated by the cash balance held which exceeds the Company's liabilities and commitments.

Approved by the Board on 21/9/15 and signed on its behalf by:

John Healy
Director



DIRECTORS' REPORT

The Directors present their report and the financial statements for the year ended 31 December 2014. A review of the business is included within the Strategic report.

Directors of the company

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

Beatrice Bigois (appointed 1 January 2014)

John Healy (appointed 18 April 2014)

Jim Poole (appointed 16 April 2014)

Ronan Lory (resigned 16 April 2014)

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

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

Dividends

A £35m dividend was paid during the year. The Directors do not recommend payment of a final dividend (2013: £nil).

Directors liabilities

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

Auditors

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

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

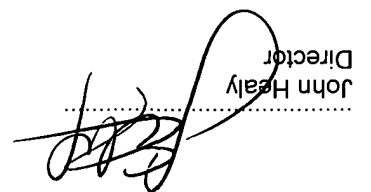
This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

DIRECTORS' REPORT (CONTINUED)

Reappointment of auditors

It is noted that under the provisions of the Companies Act 1985, the members have previously dispensed with the requirement to appoint auditors annually and that under the provisions of s.487 of the Companies Act 2006, the current auditor is deemed to be re-appointed until such time that the Directors or members of the Company resolve otherwise. It is further noted that the Directors have been authorised to fix the remuneration of the auditor.

Approved by the Board on 21/9/15 and signed on its behalf by:


John Healy
Director

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEEBOARD ENERGY GAS LIMITED

We have audited the financial statements of SEEBOARD Energy Gas Limited for the year ended 31 December 2014, which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements:

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

Emphasis of matter - Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Opinion on other matter prescribed by the Companies Act 2006

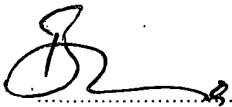
In our opinion the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEEBOARD ENERGY GAS LIMITED (CONTINUED)

Matters on which we are required to report by exception

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

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



Bevan Whitehead FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP, Chartered Accountant and Statutory Auditor

2 New Street Square
London
EC4A 3BZ

Date: 21/9/15

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014	2013
Note	£ 000	£ 000
Turnover	<u>10,667</u>	<u>5,200</u>
Operating profit	<u>3</u> <u>10,667</u>	<u>5,200</u>
Profit on ordinary activities before taxation	10,667	5,200
Tax on profit on ordinary activities	<u>5</u> <u>(129)</u>	<u>(200)</u>
Profit for the financial year	<u>11</u> <u><u>10,538</u></u>	<u><u>5,000</u></u>

All results are derived from discontinued operations in both the current and preceding year. The Company discontinued its activities during 2014.

There were no recognised gains or losses other than the profit for that year in the current or prior year. Accordingly no statement of total recognised gains and losses is presented.

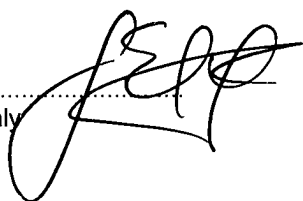
SEEBOARD ENERGY GAS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	2014 £ 000	2013 £ 000
Current assets			
Debtors: Amounts falling due within one year	6	11,190	57,599
Cash at bank and in hand		<u>13,200</u>	<u>-</u>
		24,390	57,599
Creditors: Amounts falling due within one year	7	<u>(329)</u>	<u>(5,608)</u>
Net current assets		<u>24,061</u>	<u>51,991</u>
Total assets less current liabilities		24,061	51,991
Creditors: Amounts falling due after more than one year	8	<u>-</u>	<u>(3,468)</u>
Net assets		<u>24,061</u>	<u>48,523</u>
Capital and reserves			
Called up share capital	9	6,010	6,010
Profit and loss account	11	<u>18,051</u>	<u>42,513</u>
Shareholders' funds		<u>24,061</u>	<u>48,523</u>

The financial statements of SEEBOARD Energy Gas Limited, registered number 3042795, on pages 7 to 13 were approved and authorised by the Board on 21/9/15 and signed on its behalf by:

.....
John Healy
Director



NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

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

General information

SEEBOARD Energy Gas Limited is a private company limited by shares, incorporated in the United Kingdom under the Companies Act. It is resident in the United Kingdom for tax purposes.

Basis of preparation

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

Going concern

As explained in the Strategic Report, the Company's licence agreement with EDF Energy Customers plc has been terminated effective from December 2014. As there is no other income stream the Company will cease to trade at the time of the agreement termination. Following termination of the licence agreement in December 2014, the Directors have prepared the financial statements on the basis that the Company is no longer a going concern as required by FRS 18 Accounting Policies.

No material adjustments have arisen as a result of ceasing to apply the going concern basis.

Exemption from preparing a cash flow statement

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

Revenue recognition

Revenue is recognised for license revenue received from EDF Energy Customers plc for licensing its business with benefits of the brand and customer list. There is no revenue recognised during the period arising from sale of any services.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

1 Accounting policies (continued)

Taxation

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

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

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

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

2 Turnover

Turnover, which is stated net of value added tax, arises entirely in the United Kingdom and is attributable to licence fee income and fees for the termination of licences.

On 1 September 2005, SEEBOARD Energy Gas Limited entered into an agreement to enable EDF Energy Customers plc, a fellow Group company, to service the existing SEEBOARD customer contracts under the EDF Energy Brand. This agreement ran until August 2015 and provided access to business synergies, while positioning EDF Energy Holdings Limited (the "Group") for the future. The total licence fee of £52m was being recognised over the term of this agreement. However in 2014 EDF Energy Customers plc exercised an option to pay £2m to purchase the customer contracts. The £2m termination payment and entire remaining licence fee income of £8.7m were recognised as income in the year. The Company is anticipated to cease trading as a consequence of selling its customers to EDF Energy Customers plc in December 2014.

3 Operating profit

In 2014 an amount of £10,000 (2013: £11,308) was paid to Deloitte LLP for audit services. This charge was borne by another Group company in both the current and prior year. In 2014 amounts payable to Deloitte LLP by the Company in respect of other assurance services were £nil (2013: £nil).

The Company had no employees in 2014 (2013: None).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

4 Directors' remuneration

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

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

5 Taxation

Tax on profit on ordinary activities

(a) Analysis of tax charge in the year

	2014 £ 000	2013 £ 000
UK current tax		
UK corporation tax charge for the year (note 5 (b))	<u>129</u>	<u>200</u>

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

Changes to the main rate of corporation tax were proposed by the UK Government in the Summer Budget in July 2015. These comprised a reduction in the main rate of corporation tax for the financial year beginning 1 April 2017 from 20% to 19% and a further reduction for the financial year beginning 1 April 2020 from 19% to 18%. These reductions had not been substantively enacted by the end of the accounting period and so have not been reflected in these accounts.

(b) Factors affecting current tax charge for the year

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

The differences are reconciled below:

	2014 £ 000	2013 £ 000
Profit on ordinary activities before tax	<u>10,667</u>	<u>5,200</u>
Corporation tax at standard rate	2,293	1,209
Non taxable profit on intra-group licence income	(2,293)	(1,209)
Other permanent differences	<u>129</u>	<u>200</u>
Total current tax	<u>129</u>	<u>200</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

6 Debtors: Amounts falling due within one year

	2014 £ 000	2013 £ 000
Amounts owed by Group undertakings	<u>11,190</u>	<u>57,599</u>

EDF Energy plc operates a collective net overdraft facility arrangement which permits the offset of cash balances with overdrafts in subsidiary companies, including SEEBOARD Energy Gas Ltd. In 2014, the Company had £80,689k of cash (2013: £112,431k) which covered overdrafts in other Group companies. £13,200k is accessible on demand and so has been disclosed as cash. The remainder is not accessible on demand as it covers overdrafts in other Group companies and has therefore been presented as an amount owed by other Group companies to reflect the nature of this agreement.

7 Creditors: Amounts falling due within one year

	2014 £ 000	2013 £ 000
Deferred income	-	5,200
Corporation tax (Group payments)	<u>329</u>	<u>408</u>
	<u>329</u>	<u>5,608</u>

Deferred income represents the balance of licence income (see note 2) that fell due within one year from the balance sheet date.

8 Creditors: Amounts falling due after more than one year

	2014 £ 000	2013 £ 000
Deferred income	<u>-</u>	<u>3,468</u>

Deferred income represents the balance of licence income (see note 2) that fell due after one year from the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

9 Share capital

Allotted, called up and fully paid shares

	2014 No. 000	£ 000	2013 No. 000	£ 000
Ordinary Shares of £1 each	<u>6,010</u>	<u>6,010</u>	<u>6,010</u>	<u>6,010</u>

10 Dividends

	2014 £ 000	2013 £ 000
Dividends paid		
Current year interim dividend paid	<u>35,000</u>	<u>-</u>

The interim dividend to the parent company represents £5.82 per Ordinary share (2013: £nil).

11 Reserves

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
Opening shareholders funds	6,010	42,513	48,523
Profit for the year	-	10,538	10,538
Dividends	<u>-</u>	<u>(35,000)</u>	<u>(35,000)</u>
At 31 December 2014	<u>6,010</u>	<u>18,051</u>	<u>24,061</u>

12 Related party transactions

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

13 Parent undertaking and controlling party

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

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