

**COTTAM DEVELOPMENT CENTRE LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**for the year ended 31 December 2008**

THURSDAY



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24/09/2009

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COMPANIES HOUSE

**Registered No: 3273552**

## **COTTAM DEVELOPMENT CENTRE LIMITED**

### **Report of the directors for the year ended 31 December 2008**

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2008.

#### **Principal activities**

Since 27 April 2004, the Company has not traded with the exception of interest receivable on a loan to E.ON UK plc, the parent undertaking.

#### **Business review**

##### **Fair review of the Company's business**

The Company does not trade and receives interest on inter-company loan assets.

##### **Principal risks and uncertainties**

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the E.ON UK plc consolidated group ('group') and are not managed separately. Accordingly, the principal risks and uncertainties of E.ON UK plc, which include those of the Company, are discussed within the financial review section of the group's annual report which does not form part of this report.

##### **Key performance indicators ('KPIs')**

The directors of E.ON UK plc 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 Generation division of E.ON UK plc, 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.

#### **Results and dividends**

The Company's profit for the financial year is £1,504,000 (2007: £1,278,000). No interim dividend was paid during the year (2007: £nil). The directors do not recommend the payment of a final dividend.

#### **Directors**

The directors who held office during the year and subsequent to the year end are given below:

E.ON UK Directors Limited

Mr D J Morgans (appointed 1 January 2008)

Mr P Bridgewater (resigned 1 January 2008)

## **COTTAM DEVELOPMENT CENTRE LIMITED**

### **Report of the directors for the year ended 31 December 2008 (continued)**

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

The directors are responsible for preparing 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). The financial statements are required by law to 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 year.

In preparing those financial statements the directors are required to:

- a) Select suitable accounting policies and then apply them consistently.
- b) Make judgements and estimates that are reasonable and prudent.
- c) State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- d) Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

#### **Auditors and disclosure of information to auditors**

So far as each of the directors are aware, there is no relevant audit information of which the Company's auditors are unaware and they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**COTTAM DEVELOPMENT CENTRE LIMITED**

**Report of the directors for the year ended 31 December 2008 (continued)**

**Auditors**

On 6 February 2004, the Company passed an elective resolution dispensing with the requirement to appoint auditors annually. Therefore PricewaterhouseCoopers LLP will continue in office.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'D J Morgans', is written over the printed name and title.

D J Morgans  
Director  
Cottam Development Centre Limited  
Westwood Way  
Westwood Business Park  
Coventry  
CV4 8LG

16 September 2009

**Independent auditor's report to the members of**  
**Cottam Development Centre Limited**

We have audited the financial statements of Cottam Development Centre Limited for the year ended 31 December 2008 which comprise of the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within it.

**Basis of audit opinion**

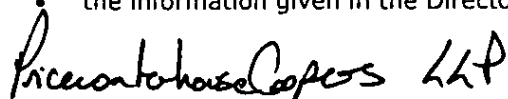
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London

17 September 2009

**COTTAM DEVELOPMENT CENTRE LIMITED**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

		Year ended 31 December 2008	Year ended 31 December 2007
	Note	£'000	£'000
Interest receivable and similar income	3	<b>2,104</b>	1,808
<b>Profit on ordinary activities before taxation</b>		<b>2,104</b>	1,808
Tax on profit on ordinary activities	4	<b>(600)</b>	(530)
<b>Retained profit for the financial year</b>	9	<b>1,504</b>	1,278

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

The Company has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented.

All the above amounts relate to continuing operations.

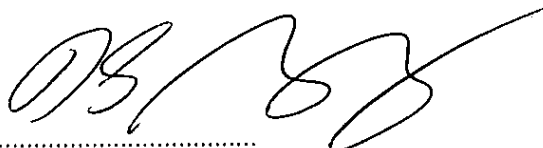
The accounting policies and the notes on pages 7 to 10 form part of these financial statements.

**COTTAM DEVELOPMENT CENTRE LIMITED**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2008**

		At 31 December 2008	At 31 December 2007
	Note	£'000	£'000
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	5	-	33,224
Debtors: amounts falling due within one year	6	<b>37,450</b>	2,144
		<b>37,450</b>	35,368
<b>Creditors: amounts falling due within one year</b>	7	<b>(13,567)</b>	(12,989)
<b>Net assets</b>		<b>23,883</b>	22,379
<b>Capital and reserves</b>			
Called-up share capital	8	<b>19,978</b>	19,978
Profit and loss reserve	9	<b>3,905</b>	2,401
<b>Total shareholders' funds</b>	10	<b>23,883</b>	22,379

The financial statements on pages 5 to 10 were approved by the Board of Directors on 16 September 2009 and were signed on its behalf by:



.....  
D J Morgans  
Director

16 September 2009

The accounting policies and the notes on pages 7 to 10 form part of these financial statements.

# **COTTAM DEVELOPMENT CENTRE LIMITED**

## **Notes to the financial statements** **for the year ended 31 December 2008**

### **1 Accounting policies**

These financial statements are prepared on the going concern basis, under the historical cost convention, in accordance with the Companies Act 1985 and applicable United Kingdom accounting standards, all of which have been consistently applied. The principal accounting policies are set out below.

#### **(a) Taxation**

The tax charge for the year is based on the profits or losses on ordinary activities for the year and 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'. 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 substantially enacted by the balance sheet date.

#### **(b) Cash flow statement**

The Company is a wholly-owned subsidiary undertaking of E.ON AG, the ultimate parent undertaking of the E.ON Group, and is included in the publicly available consolidated financial statements of E.ON AG. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996).

#### **(c) Related party transactions**

The Company is exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with E.ON AG, its subsidiaries and associates (together "the E.ON Group") or investees of the E.ON Group.

#### **(d) 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.

### **2 Operating profit**

The Company carried out no trade during the year other than the provision of funding to fellow E.ON Group entities.

#### **Administration costs**

All administration costs were borne by the parent undertaking E.ON UK plc and not recharged.

The directors received no emoluments from the Company during the year (2007: £nil).

Auditors' remuneration of £5,000 (2007: £5,000) was borne by the parent undertaking E.ON UK plc and not recharged.

There were no employees during the year (2007: nil).



**COTTAM DEVELOPMENT CENTRE LIMITED**

**Notes to the financial statements**  
**for the year ended 31 December 2008 (continued)**

**3 Interest receivable and similar income**

	<b>Year ended 31 December 2008 £'000</b>	<b>Year ended 31 December 2007 £'000</b>
Interest receivable from group undertakings	<b>2,104</b>	1,808

**4 Tax on profit on ordinary activities**

	<b>Year ended 31 December 2008 £'000</b>	<b>Year ended 31 December 2007 £'000</b>
<b>Current tax:</b>		
UK corporation tax on profits for the year	<b>600</b>	543
Adjustment in respect of previous periods	-	(13)
<b>Total Current tax</b>	<b>600</b>	530

The difference between the tax on the profit on ordinary activities for the year and the tax assessed on the profit on ordinary activities for the year assessed at the standard rate of corporation tax in the UK (28.5%) can be explained as follows:

	<b>Year ended 31 December 2008 £'000</b>	<b>Year ended 31 December 2007 £'000</b>
Profit on ordinary activities before tax	<b>2,104</b>	2,462
Tax on profit on ordinary activities before tax at 28.5% (2007: 30%)	<b>600</b>	543
<i>Effects of:</i>		
Adjustment in respect of previous years	-	(13)
<b>Current tax charge for the year</b>	<b>600</b>	530

The standard rate of corporation tax in the UK changed from 30% to 28% with effect from 1 April 2008. Accordingly, the Company's profits are taxed at an effective rate of 28.5% and will be taxed at 28% in the future. The corporation tax payable for the year has been reduced by £600,000 because of group relief received from a fellow group undertaking for which a payment of £600,000 will be made (2007: £543,000).

**COTTAM DEVELOPMENT CENTRE LIMITED**

**Notes to the financial statements**  
**for the year ended 31 December 2008 (continued)**

**5 Debtors: amounts falling due after more than one year**

	<b>At 31 December 2008 £'000</b>	<b>At 31 December 2007 £'000</b>
Amounts owed by group undertakings	<u>-</u>	<u>33,224</u>

**6 Debtors: amounts falling due within one year**

	<b>At 31 December 2008 £'000</b>	<b>At 31 December 2007 £'000</b>
Amounts owed by group undertakings	<u>37,450</u>	<u>2,144</u>

Included within amounts owed by group undertakings is an unsecured loan of £35,306,000, bearing interest relative to LIBOR and which was repaid on 27 April 2009. All remaining amounts owed to group undertakings are unsecured, interest free and repayable on demand.

**7 Creditors: amounts falling due within one year**

	<b>At 31 December 2008 £'000</b>	<b>At 31 December 2007 £'000</b>
Amounts owed to group undertakings	<u>13,567</u>	<u>12,989</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

**8 Called up share capital**

	<b>At 31 December 2008 £'000</b>	<b>At 31 December 2007 £'000</b>
<b>Authorised</b>		
30,000,000 ordinary shares of £1 each	<u>30,000</u>	<u>30,000</u>
<b>Allotted, called-up and fully paid</b>		
19,978,000 ordinary shares of £1 each	<u>19,978</u>	<u>19,978</u>

# COTTAM DEVELOPMENT CENTRE LIMITED

## Notes to the financial statements for the year ended 31 December 2008 (continued)

### 9 Reserves

	<b>Profit and loss reserve £'000</b>
At 1 January 2008	2,401
Retained profit for the financial year	1,504
<b>At 31 December 2008</b>	<b>3,905</b>

### 10 Reconciliation of movements in shareholders' funds

	<b>31 December 2008 £'000</b>	31 December 2007 £'000
Profit for the financial year	<b>1,504</b>	1,278
Net addition to shareholders' funds	<b>1,504</b>	1,278
Opening shareholders' funds	<b>22,379</b>	21,101
Closing shareholders' funds	<b>23,883</b>	22,379

### 11 Ultimate parent undertaking and controlling party

The immediate parent undertaking is E.ON UK plc. The ultimate parent undertaking and controlling party is E.ON AG, a company incorporated in Germany, which is the parent company of the largest group to consolidate these financial statements. The smallest group to consolidate these financial statements is that of which E.ON UK plc, the principal UK trading subsidiary of E.ON AG, is the parent undertaking. Copies of E.ON AG's accounts are available from the offices of E.ON AG at the following address:

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