

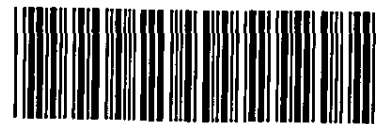
Company number 3273552

Cottam Development Centre Limited

Directors' Report and Financial Statements

for the Year Ended 31 December 2012

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Cottam Development Centre Limited
Directors' Report for the Year Ended 31 December 2012

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2012

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

D J Morgans

E ON UK Directors Limited

Principal activity

The Company's principal activity during the year and at the year end was to act as a financing company for the E ON UK plc group

Business review

Fair review of the business

The position of the Company at the year end was as anticipated. The directors are currently considering the future of the Company.

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 SE consolidated group ('group') and are not managed separately. Accordingly, the principal risks and uncertainties of E ON SE, which include those of the Generation division of E ON SE, which includes 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 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 Generation 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.

Results and dividends

The Company's profit for the financial year is £435,000 (2011 profit of £400,000). No interim dividends were paid during the year (2011 £nil). The directors do not recommend the payment of a final dividend (2011 £nil).

Political donations

No political donations were made during the year (2011 £nil).

Charitable donations

No charitable donations were made during the year (2011 £nil).

Cottam Development Centre Limited
Directors' Report for the Year Ended 31 December 2012
(continued)

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.

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 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 on 5 September 2013 and signed on its behalf by



D J Morgans
Director

Cottam Development Centre Limited
Company No 3273552
Westwood Way
Westwood Business Park
Coventry
CV4 8LG

Independent Auditors' 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 2012, which comprise the Profit and Loss Account, the Balance Sheet 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).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, 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 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.

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 Directors' Report and Financial Statements to identify material inconsistencies with the audited financial statements. 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 2012 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.

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.

**Independent Auditors' Report to the Members of
Cottam Development Centre 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

Matthew Walker

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

Birmingham

Date 6 SEPTEMBER 2013

Cottam Development Centre Limited
Profit and Loss Account for the Year Ended 31 December 2012

	Note	2012 £ 000	2011 £ 000
Operating profit/(loss)	2	-	-
Interest receivable and similar income	3	<u>577</u>	<u>544</u>
Profit on ordinary activities before taxation		577	544
Tax on profit on ordinary activities	4	<u>(142)</u>	<u>(144)</u>
Profit for the financial year	8	<u>435</u>	<u>400</u>

Operating profit/(loss) derives wholly from continuing operations

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

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 7 to 9 form an integral part of these financial statements

Cottam Development Centre Limited
(Company number: 3273552)
Balance Sheet as at 31 December 2012

	Note	2012 £ 000	2011 £ 000
Current assets			
Debtors	5	39,649	39,495
Creditors: amounts falling due within one year	6	<u>(13,435)</u>	<u>(13,716)</u>
Net assets		<u>26,214</u>	<u>25,779</u>
Capital and reserves			
Called up share capital	7	19,978	19,978
Profit and loss account	8	<u>6,236</u>	<u>5,801</u>
Total shareholders' funds	9	<u>26,214</u>	<u>25,779</u>

Approved by the Board on 5 September 2013 and signed on its behalf by



D J Morgans
Director

Cottam Development Centre Limited

The notes on pages 7 to 9 form an integral part of these financial statements

Cottam Development Centre Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

1 Accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention 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.

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.

Taxation

The tax charge for the year is based on the profits on ordinary activities for the year.

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 Operating profit/(loss)

Auditors' remuneration of £3,000 (2011: £3,000) was borne by the immediate parent undertaking, E.ON UK plc, and not recharged.

There were no employees during the year (2011: none).

The directors received no emoluments from the Company during the year (2011: £nil).

3 Interest receivable and similar income

	2012 £ 000	2011 £ 000
Interest receivable from group undertakings	<u>577</u>	<u>544</u>

Cottam Development Centre Limited
Notes to the Financial Statements for the Year Ended 31 December 2012
(continued)

7 Called up share capital

Allotted and fully paid

	2012		2011	
	No.	£ 000	No.	£ 000
Ordinary shares of £1 each	<u>19,978,000</u>	<u>19,978</u>	<u>19,978,000</u>	<u>19,978</u>

8 Reserves

	Profit and loss account £ 000
At 1 January 2012	5,801
Profit for the financial year	<u>435</u>
At 31 December 2012	<u>6,236</u>

9 Reconciliation of movements in shareholders' funds

	2012 £ 000	2011 £ 000
Profit attributable to the members of the Company	<u>435</u>	<u>400</u>
Net addition to shareholders' funds	<u>435</u>	<u>400</u>
Shareholders' funds at 1 January	<u>25,779</u>	<u>25,379</u>
Shareholders' funds at 31 December	<u>26,214</u>	<u>25,779</u>

10 Ultimate parent

The Company is controlled by E.ON UK plc. 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

Cottam Development Centre Limited
Notes to the Financial Statements for the Year Ended 31 December 2012
(continued)

4 Tax on profit on ordinary activities

	2012 £ 000	2011 £ 000
Current tax		
UK corporation tax charge	<u>142</u>	<u>144</u>

Factors affecting current tax charge for the year

There is no difference between the tax on profit on ordinary activities for the year and the tax assessed on the profit on ordinary activities for the year assessed at the effective rate of corporation tax in the UK at 24.5% (2011 26.5%)

During the year legislation was included in the Finance Act 2012 to reduce the main rate of UK corporation tax from 26% to 24%, effective from 1 April 2012 and from 24% to 23% effective from 1 April 2013. Further reductions in the main rate of UK corporation tax were announced in the Autumn Statement on 5 December 2012 and the March 2013 Budget Statement to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015. These further changes were not substantively enacted at the balance sheet date and, therefore, the impact has not been included in these financial statements.

The corporation tax payable has been reduced by £142,000 because of group relief received from a fellow group undertaking for which a payment will be made (2011 £144,000)

5 Debtors

	2012 £ 000	2011 £ 000
Amounts owed by group undertakings	<u>39,649</u>	<u>39,495</u>

Amounts owed by group undertakings of £39,649,000 (2011 £39,042,000) are unsecured, interest bearing at a rate of LIBOR minus 12.5 basis points and repayable in September 2013. All other amounts are unsecured, interest free and repayable on demand.

6 Creditors, amounts falling due within one year

	2012 £ 000	2011 £ 000
Amounts owed to group undertakings	<u>13,435</u>	<u>13,716</u>

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