

Company Registration No. 3618559

## DRAX OUSE

Report and Financial Statements

31 December 2011



# **DRAX OUSE**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2011**

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# **DRAX OUSE**

## **OFFICERS AND PROFESSIONAL ADVISERS**

**YEAR ENDED 31 DECEMBER 2011**

<b>Board of directors</b>	Dorothy Thompson Paul Taylor (appointed 9 December 2011) Peter Emery Tony Quinlan
<b>Company Secretary</b>	Philip Hudson
<b>Registered office</b>	Drax Power Station Selby North Yorkshire YO8 8PH
<b>Auditor</b>	Deloitte LLP 2 New Street Square London EC4A 3BZ
<b>Solicitors</b>	Norton Rose 3 More London Riverside London SE1 2AQ

# **DRAX OUSE**

## **DIRECTORS' REPORT**

### **YEAR ENDED 31 DECEMBER 2011**

The directors present their report and the financial statements of the Company for the year ended 31 December 2011. The Company is entitled to, and has adopted, certain exemptions in relation to disclosure requirements regarding a business review under Section 417(1) of the Companies Act 2006.

#### **PRINCIPAL ACTIVITIES**

In December 2003, following a financial restructuring of the companies in the Drax group of companies ("Drax Group"), the Company transferred the trade and certain assets and liabilities of the Drax Power Station to a fellow subsidiary company, Drax Power Limited, at fair value. Since that date the Company has been a non-trading company and this is not expected to change in the foreseeable future.

At an extraordinary general meeting on 21 November 2005, the shareholders resolved to re-register the Company as an Unlimited Company. The re-registration was part of the financial restructuring of the Drax Group in December 2005, whereby the ultimate parent company, Drax Group plc, was listed on the London Stock Exchange.

As noted above, the Company is non-trading and is not expected to trade in the foreseeable future. It has net assets of £1,000.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### **RESULTS AND DIVIDENDS**

The Company was dormant within the meaning of Section 1169(1) of the Companies Act 2006, and did not trade during the year ended 31 December 2011.

#### **DIRECTORS**

The directors who served the Company during the year are listed under Officers and professional advisers (page 1). No other person served as director or alternate director during the year.

#### **PROFIT AND LOSS ACCOUNT**

The Company did not trade during the year nor during the preceding financial year, received no income and incurred no expenditure and therefore made neither profit nor loss and hence no profit and loss account is presented.

# **DRAX OUSE**

## **DIRECTORS' REPORT *(continued)***

**YEAR ENDED 31 DECEMBER 2011**

### **DIRECTORS' RESPONSIBILITIES**

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 then apply them consistently,
- make judgments 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.

### **AUDITOR AND THE DISCLOSURE OF INFORMATION TO THE AUDITOR**

Each of the persons who is a director at the date of approval of this 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 steps that he/she ought to have taken as a director in order to make himself/herself 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 provision of s 418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

By order of the directors



PHILIP HUDSON  
Company Secretary  
26 September 2012

# DRAX OUSE

## INDEPENDENT AUDITOR'S REPORT

### TO THE SHAREHOLDER OF DRAX OUSE

We have audited the financial statements of Drax Ouse for the year ended 31 December 2011 which comprise the balance sheet and the related notes 1 to 5. 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 auditors' 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 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 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 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 2011 and of its result 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 matters 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.

#### 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
- the directors were not entitled to take advantage of the small companies exemption in preparing the Directors' report, or
- we have not received all the information and explanations we require for our audit.



Dean Cook MA FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, UK  
26 September 2012

# DRAX OUSE

## BALANCE SHEET

31 DECEMBER 2011

As at 31 December		
	2011	2010
Note	£000	£000
<b>CURRENT ASSETS</b>		
Debtors – amounts due from other group undertakings	1	1
<b>TOTAL ASSETS</b>	<u>1</u>	<u>1</u>
<b>CAPITAL AND RESERVES</b>		
Called-up share capital	4 1	1
<b>TOTAL SHAREHOLDER'S FUNDS</b>	<u>1</u>	<u>1</u>

The financial statements of Drax Ouse, registered number 3618559, were approved by the Board of directors on 26 September 2012

Signed on behalf of the Board of directors



Tony Quinlan  
Director

The notes on pages 6 and 7 form part of these financial statements.

# DRAX OUSE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

### 1 ACCOUNTING POLICIES

#### Basis of accounting

The financial statements have been prepared on the going concern assumption (see page 2), under the historical cost convention and in accordance with Companies Act 2006 and applicable United Kingdom accounting standards

#### Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard ("FRS") 1 'Cash Flow Statements (Revised 1996)' from including a cash flow statement in the financial statements on the grounds that the Company is wholly owned and its ultimate parent publishes a consolidated cash flow statement which includes the cash flows of the Company

### 2 PROFIT AND LOSS ACCOUNT

The Company did not trade during either period, received no income and incurred no expenditure and therefore made neither profit nor loss and hence no profit and loss account is presented

The Company has no employees other than the directors, who received no remuneration in respect of services to the Company in the current and prior period Auditor's remuneration for audit services to the Company (allocated as £500 in both periods) and Companies House fees were borne by another group undertaking

### 3. CONTINGENCIES

The Company provides security and guarantees to Drax Finance Limited and Drax Power Limited, other group undertakings, which would crystallise in the event of Drax Finance Limited and/or Drax Power Limited defaulting on its outstanding bank borrowings At 31 December 2011 the outstanding borrowings amounted to £10 million (2010 £135 million) These borrowings are also guaranteed and secured by other members of the Drax Group plc group No liability is provided as the likelihood of the event of default is considered remote

Similarly, the Company provides security and guarantees to Drax Power Limited which would crystallise in the event of Drax Power Limited defaulting on the terms of a Novation and Trading Agreement with Barclays Bank PLC At 31 December 2011 the outstanding obligations amounted to £21 million (2010 £48 million) These obligations are also guaranteed and secured by other members of the Drax Group plc group No liability is provided as the likelihood of the event of default is considered remote

In addition, the Company provides security and guarantees to other group undertakings in respect of letters of credit issued under the Group's revolving credit facility At 31 December 2011 letters of credit issued under the revolving credit facility amounted to £126.1 million (2010 £134.3 million) No liability is provided as the likelihood of the event of default is considered remote

### 4 SHARE CAPITAL

#### Authorised share capital

	2011 £000	2010 £000
1,000,001 Ordinary shares of £0.001 each	<u>1</u>	<u>1</u>

#### Allotted, called-up and fully paid

	Number	2011 £000	Number	2010 £000
Ordinary shares of £0.001 each	<u>1,000,001</u>	<u>1</u>	<u>1,000,001</u>	<u>1</u>



# **DRAX OUSE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2011**

### **5 ULTIMATE PARENT COMPANY**

The immediate parent company is Drax Limited, a company incorporated in the Cayman Islands

The ultimate parent company is Drax Group plc, a publicly listed company incorporated in England and Wales. Drax Group plc is the smallest and largest group for which consolidated financial statements are prepared. Copies of the consolidated financial statements for Drax Group plc are available from Company Secretary, Drax Power Station, Selby, North Yorkshire YO8 8PH