Registered Number: 05006144

Centrica KPS Limited

Annual Report and Financial Statements
For the year ended 31 December 2013

Centrica KPS Limited

Annual Report and Financial Statements for the year ended 31 December 2013

Contents

Centrica KPS Limited

Directors' Report for the year ended 31 December 2013

The Directors present their report and the audited financial statements of Centrica KPS Limited ("the Company") for the year ended 31 December 2013.

Future developments
There are no plans to change the nature of activities in the foreseeable future. The ultimate parent company, Centrica plc, announced on 8 May 2014 that it intends to dispose of its holding in the Company.

Financial risk management
The Directors have established objectives and policies for managing financial risks to enable the Company to achieve its long-term shareholder value growth targets within a prudent risk management framework. These objectives and policies are regularly reviewed. Exposure to counterparty credit risk and liquidity risk arises in the normal course of the Company's business:

- Counterparty credit exposures are monitored by individual counterparty and by category of credit rating, and are subject to approved limits. Credit risk is predominantly limited to exposures with other Centrica plc group undertakings.
- Cash forecasts identifying the liquidity requirements of the Company are produced frequently and reviewed regularly.
- Liquidity risk is managed through funding arrangements with Centrica plc group undertakings.

The Company did not take part in hedging of any kind (2012: £nil). The Company would hedge foreign currency risk if the need arose.

Results and dividends
The results of the Company are set out on page 8.

The loss for the financial year ended 2013 is £6,844,000 (2012: profit of £11,060,000). No dividends were paid during the year and the Directors do not recommend the payment of a final dividend (2012: £nil).

Financial position
The financial position of the Company is presented in the Balance Sheet on page 9. The shareholders' deficit at 31 December 2013 was £3,281,000 (2012: funds of £3,563,000).

Going concern
The company is dependent on financial support from its ultimate parent company, Centrica plc, and has received confirmation that such support will be available for such time as the company remains a subsidiary. However, as explained in note 17, the parent company has announced that it intends to dispose of its holding in the company. Therefore at this stage the directors are unable to establish whether the necessary financial support will be available from any new owner. This condition indicates the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. Taking the above into account, and the possibility of the new owner providing adequate support to the company, the directors believe it is appropriate to prepare the financial statements on a going concern basis.

Directors
The following served as Directors during the year and up to the date of signing this report:

John Knight	(Appointed 1 January 2014)
Richard McCord	(Appointed 15 November 2013)
Mark Futyan	(Appointed 22 April 2014)
Thomas Hinton	(Resigned 15 November 2013)
Graeme Collinson	(Resigned 1 January 2014)
Sarwjit Sambhi	(Resigned 12 August 2013)
John Watts	(Resigned 22 April 2014)

Directors' and officers' liability
Directors' and officers' liability insurance has been purchased by the ultimate parent company, Centrica plc, and was in place throughout the year under review. The insurance does not provide cover in the event that the Director is proved to have acted fraudulently.

Post balance sheet events
The ultimate parent company, Centrica plc, announced on 8 May 2014 that it intends to dispose of its holding in the Company. No adjustments to the financial statements are considered necessary in respect of this announcement.

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;
- 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.

Disclosure of information to auditors
Each of the Directors who held office at the date of approval of this Directors' Report confirm that so far as they 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 to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Centrica KPS Limited

Directors' Report for the year ended 31 December 2013 (continued)

Independent Auditors
Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

This report was approved by the Board on 11 September 2014.

For and on behalf of
Centrica Secretaries Limited
Company Secretary

Company registered in England and Wales No. 05006144

Registered office:
Millstream
Maidenhead Road
Windsor
Berkshire
SL4 5GD

Centrica KPS Limited

Strategic Report for the year ended 31 December 2013

The Directors present the Strategic Report of Centrica KPS Limited ("the Company") for the year ended 31 December 2013.

Business review
The Company's principal activity during the year was the operation of a 652MW generating station at Killingholme, North Lincs ("Killingholme Power Station"). The Company generates power which is sold via a tolling agreement with British Gas Trading Limited; the Company that is responsible for energy procurement for the UK downstream operations of the Centrica plc group ("the Group").

Market conditions continued to be challenging for gas-fired power stations with a decline in UK Clean Spark Spreads during 2013. Baseload power generation has predominantly been provided by coal while installed capacity from renewable sources has also increased, leaving gas to operate in peak periods of demand only. As a result of this, generation has been lower than previous years and this coupled with the low clean spark spreads has provided a difficult environment for trading.

The future market for gas fired power generation is expected to improve with the forecast closure of a number of stations and the requirement for back-up plants to support intermittent renewable generation. These changes mean that there are risks to the future security of electricity supplies. The Government has also now legislated for a new Capacity Market with initial auctions taking place in December 2014 for the year starting October 2018. The Capacity Market will provide a market framework to encourage participants to invest in generating facilities to ensure we have enough reliable electricity capacity to meet demand.

Despite the difficulties in the UK power market, trading for 2013 was slightly ahead of Directors' expectations. Generation volumes were down 24% on plan but lost contribution was offset by favourable performance within the cost base. However, the Company has generated an operating loss because of the adverse market conditions described above which ultimately resulted in the fixed costs of the station not being covered by revenues generated from operations.

Financial position
The financial position of the Company is presented in the Balance Sheet on page 9. The shareholders' deficit at 31 December 2013 was £3,281,000 (2012: funds of £3,563,000).

Going concern
The company is dependent on financial support from its ultimate parent company, Centrica plc, and has received confirmation that such support will be available for such time as the company remains a subsidiary. However, as explained in note 17, the parent company has announced that it intends to dispose of its holding in the company. Therefore at this stage the directors are unable to establish whether the necessary financial support will be available from any new owner. This condition indicates the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. Taking the above into account, and the possibility of the new owner providing adequate support to the company, the directors believe it is appropriate to prepare the financial statements on a going concern basis.

Principal risks and uncertainties
From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the Company, are discussed on pages 42-48 of the Annual Report and Accounts 2013 of the Group, which does not form part of this report.

Centrica KPS Limited

Strategic Report for the year ended 31 December 2013 (continued)

Key performance indicators (KPIs)
The Directors of the Group use a number of key performance indicators to monitor progress against the Group's strategy. The development and performance of the Group, which includes the Company, are discussed on pages 16-17 of the Annual Report and Accounts 2013 of the Group, which does not form part of this report.

This Strategic Report was approved by the Board on 11 September 2014.

For and on behalf of Centrica Secretaries Limited
Company Secretary

Company registered in England and Wales No. 05006144

Registered office:
Millstream
Maidenhead Road
Windsor
Berkshire
SL4 5GD

Centrica KPS Limited

Independent Auditors' Report to the members of Centrica KPS Limited

Report on the financial statements

Our opinion
In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of its loss 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.

This opinion is to be read in the context of what we say in the remainder of this report.

Emphasis of matter – going concern
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 concerning the company's ability to continue as a going concern. The company is dependent on financial support from its ultimate parent company, Centrica plc, and has received confirmation that such support will be available for such time as the company remains a subsidiary. However, as explained in note 17, the parent company has announced that it intends to dispose of its holding in the company. Therefore at this stage the directors are unable to establish whether the necessary financial support will be available from any new owner. This condition indicates the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

What we have audited
The financial statements, which are prepared by Centrica KPS Limited, comprise:

- the Balance Sheet as at 31 December 2013
- the Profit and Loss Account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) (ISAs (UK & Ireland)). 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 Strategic Report, Director's Report and Annual Report and Financial Statements 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.

Independent Auditors' Report to the members of Centrica KPS Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception
Adequacy of accounting records and information and explanations received
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration
Under the Companies Act 2006 we are required to report if, in our opinion, certain disclosures of Directors' remuneration specified by law have not been made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors
As explained more fully in the Statement of Directors' responsibilities set out on page 2, 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 ISAs (UK & 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.

Mark King (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
11 September 2014

Centrica KPS Limited

Profit and Loss Account for the year ended 31 December 2013

	Note	2013 £000	2012 £000
Turnover	3	**8,250**	44,661
Cost of sales		**(18,684)**	(15,323)
Gross (loss) / profit		**(10,434)**	29,338
Administrative expenses - including exceptional item		**(5,667)**	(12,485)
Operating (loss) / profit before exceptional item	4	**(16,101)**	24,357
Exceptional operating item - impairment	4	-	(7,504)
Operating (loss) / profit	4	**(16,101)**	16,853
Interest receivable and similar income	7	**4,055**	4,026
Interest payable and similar charges	8	**(122)**	(120)
(Loss) / profit on ordinary activities before taxation		**(12,168)**	20,759
Tax on (loss) / profit on ordinary activities	9	**5,324**	(9,699)
(Loss) / profit for the financial year	15	**(6,844)**	11,060

The Company has no recognised gains or losses other than the (loss) / profit above and therefore no separate Statement of Total Recognised Gains and Losses has been presented.

There are no differences between the (loss) / profit on ordinary activities before taxation and the (loss) / profit for the years stated above and their historical cost equivalents.

All results relate to continuing operations.

The notes on pages 10 to 18 form part of these financial statements.

Centrica KPS Limited

Balance Sheet as at 31 December 2013

	Note	2013 £000	2012 £000
Fixed assets			
Tangible assets	10	**12,333**	14,037
Current assets			
Debtors	11	**130,286**	139,146
		130,286	139,146
Creditors - amounts falling due within one year	12	**(143,218)**	(146,947)
Net current liabilities		**(12,932)**	(7,801)
Total assets less current liabilities		**(599)**	6,236
Provisions for liabilities	13	**(2,682)**	(2,673)
Net (liabilities) / assets		**(3,281)**	3,563
Capital and reserves			
Called up share capital	14	-	-
Profit and loss account	15	**(3,281)**	3,563
Total shareholders' (deficit) / funds	15	**(3,281)**	3,563

The notes on pages 10 to 18 form part of these financial statements.

The financial statements on pages 8 to 18 were approved and authorised for issue by the Board of Directors on 11 September 2014 and were signed on its behalf by:

Richard McCord

Richard McCord
Director
Registered Number: 05006144

Centrica KPS Limited

Notes to the Financial Statements for the year ended 31 December 2013

1. Principal accounting policies

These financial statements are prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and the applicable United Kingdom accounting standards. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Turnover
Turnover is recognised on an accruals basis and principally relates to the sale of power generation capacity to a fellow Group undertaking in accordance with a capacity tolling arrangement.

The Company is a lessor for certain lease contracts that contain both fixed and variable cash flows. The fixed income generated from operating leases is accounted for on a straight line basis whereas the variable income element is recognised on an accruals basis because this is deemed to be the most relevant method to account due to the nature of the income stream.

Going concern
The company is dependent on financial support from its ultimate parent company, Centrica plc, and has received confirmation that such support will be available for such time as the company remains a subsidiary. However, as explained in note 17, the parent company has announced that it intends to dispose of its holding in the company. Therefore at this stage the directors are unable to establish whether the necessary financial support will be available from any new owner. This condition indicates the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. Taking the above into account, and the possibility of the new owner providing adequate support to the company, the directors believe it is appropriate to prepare the financial statements on a going concern basis.

Tangible assets
Tangible assets are stated at historic cost less accumulated depreciation and any impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is charged on all fixed assets, other than freehold land and gas turbine components in the course of a major overhaul and assets in the course of construction. Depreciation is provided at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life as follows for these asset classes:

- Power station assets and decommissioning asset: 20 years
- Turbine components, other plant and machinery: 3-6 years

For gas turbine components, depreciation is provided to write off the cost of the assets over their operating lives on an equivalent operating hours basis.

Overhaul costs
Contract work involved in replacing gas turbine components is capitalised and depreciated over their expected economic life, typically over the period to the next overhaul. Repairs and other costs that are not of a capital nature are charged directly to the Profit and Loss Account as incurred.

Stocks
Stocks are stated at the lower of cost incurred in bringing each item to its present location and condition and net realisable value. Provision is made where necessary for obsolete, slow-moving and defective stocks. Cost is determined on an average cost basis.

Centrica KPS Limited

Notes to the Financial Statements for the year ended 31 December 2013 (continued)

1. Principal 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 substantially 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 tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax is measured on a non-discounted basis.

Decommissioning provision
Provision is made for the net present value of the estimated cost of decommissioning the power station at the end of its useful life, based on price levels and technology at the balance sheet date.

Changes in these estimates and changes to the discount rates are dealt with prospectively. When an increase in the provision gives access to future economic benefits, a decommissioning asset is recognised and amortised on a straight-line basis over the useful life of the facility; otherwise the increase is recognised directly in the Profit and Loss Account. When a reduction in the estimated provision is required, the amount of the related asset is reduced to the extent of the asset's carrying amount. Any excess is recognised immediately in the Profit and Loss Account. The unwinding of the discount on the provision is included in the Profit and Loss Account within interest expense.

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

Impairment
At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets have suffered an impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment. Recoverable amount is the higher of net realisable value and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

A previously recognised impairment loss on a tangible asset is reversed only because of a change in economic conditions or in the expected use of the asset. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in the Profit and Loss Account immediately. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over the remaining useful life.

1. Principal accounting policies (continued)

EU Emissions Trading Scheme (EU ETS)

Where granted EU ETS emissions allowances have been received in a period they are initially recognised at nominal value (nil value). A liability is recognised when the level of emissions exceeds the level of allowances granted. As part of the tolling arrangement, the tollee must provide the Company with sufficient EU ETS emissions allowances to meet any shortfall on the settlement date. The liability is measured at the cost of EU ETS emissions allowances purchased by the tollee, up to the level of purchased EU ETS emissions allowances physically held, and then at the market price of EU ETS emissions allowances ruling at the balance sheet date. A matching receivable from the tollee is recognised at the same time.

Community Energy Savings Programme

The Community Energy Savings Programme (CESP) requires certain licensed electricity generators to meet a carbon reduction obligation. As part of the tolling agreement, the tollee must perform qualifying carbon reduction actions in order to discharge the CESP obligation. Where a liability exists at the balance sheet date (because the qualifying actions have not fully discharged the obligation), the liability is measured at the estimated future cost of discharging the carbon reduction obligation. A matching receivable from the tollee is recognised at the same time.

2. Cash flow statements and related party disclosures

The Company is a wholly-owned subsidiary of GB Gas Holdings Limited and is included in the consolidated financial statements of Centrica plc, which are publicly available. 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) "Cash Flow Statements". The Company is also exempt under the terms of Financial Reporting Standard 8 "Related Party Disclosures" from disclosure of transactions with other wholly-owned companies that are part of the Centrica plc group.

3. Turnover

All turnover relates to the principal activity of the business and occurs wholly in the United Kingdom. During the financial year the rentals receivable under operating leases were £7,785,000 (2012: £nil).

4. Operating (loss) / profit

	2013	2012
	£000	£000
Operating (loss) / profit is stated after charging:		
Depreciation of owned tangible assets (note 10)	**2,026**	2,649
Exceptional operating item - impairment of tangible assets (i)	**-**	7,504
Operating lease charges - plant and machinery	**21**	36
Services provided by the company's auditor:		
Fees payable for the audit (ii)	**8**	8

(i) Impairment of tangible assets

Following a review in 2012 of the value-in-use of the power station asset, an impairment charge of £7,504,000 was recognised in that period. No further impairment charges have been recognised in 2013.

(ii) Auditors' remuneration

Auditors' remuneration totalling £8,000 (2012: £8,000) relates to fees for the audit of the UK GAAP financial statements of Centrica KPS Limited.

Centrica KPS Limited

Notes to the Financial Statements for the year ended 31 December 2013 (continued)

5. Directors' emoluments

The aggregate emoluments paid to Directors in respect of their qualifying services were £105,886 (2012: £136,099) and the aggregate value of company contributions paid to a pension scheme in respect of Directors' qualifying services were £13,347 (2012: £8,967).

There were 4 Directors (2012: 4) to whom retirement benefits are accruing under a defined benefit pension scheme. There was 1 Director (2012: 0) to whom retirement benefits are accruing under money purchase pension schemes. 4 Directors (2012: 4) received shares in the ultimate parent company in respect of their qualifying services under a long-term incentive scheme and 2 Directors (2012: nil) exercised share options relating to the ultimate parent company. All of these costs were borne by other Group companies.

6. Employee information

The Company has no direct employees (2012: nil). However, payroll costs amounting to £3,210,000 (2012: £2,906,000) were incurred through a recharge during the year in respect of an average of 42 (2012: 42) staff providing services to Centrica KPS Limited under an employee services agreement with a Group company. Also under this agreement additional pension costs of £3,779,000 (2012: £1,577,000) have been incurred from the Group company.

7. Interest receivable and similar income

	2013	2012
	£000	£000
Interest receivable from Group undertakings	**4,055**	4,026

8. Interest payable and similar charges

	2013	2012
	£000	£000
Decommissioning provision notional interest (note 13)	**122**	120

9. Tax on (loss) / profit on ordinary activities

	2013 £000	2012 £000
Current tax:		
UK corporation tax at 23.25% (2012: 24.5%)	(5,324)	-
Deferred tax:		
Effect of change in deferred tax rate	-	1,330
Origination and reversal of timing differences	-	8,369
Tax on (loss) / profit on ordinary activities	-	9,699

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the (loss) / profit before tax are as follows:

	2013 £000	2012 £000
(Loss) / profit on ordinary activities before taxation	(12,168)	20,759
(Loss) / profit on ordinary activities multiplied by standard rate in the UK of 23.25% (2012: 24.5%)	(2,829)	5,086
Effects of:		
Capital allowances in excess of depreciation	(1,590)	(438)
Expenses not deductible for tax purposes	5	22
Other timing differences	54	210
Income not taxable for tax purposes	(31)	-
Group relief surrendered for nil consideration	-	(3,719)
UK:UK transfer pricing adjustment	(933)	(1,161)
Current tax charge for the year	(5,324)	-

The main rate of corporation tax was reduced from 26% to 24% from 1 April 2012 and to 23% from 1 April 2013. Further reductions to reduce the rate to 21% from 1 April 2014 and to 20% by 1 April 2015 were substantively enacted in Finance Act 2013 on 2 July 2013 and have been reflected within these financial statements.

10. Tangible assets

	Power station assets	Turbine components, other plant and machinery	Decommissioning asset	Total
	£000	£000	£000	£000
Cost or valuation				
At 1 January 2013	147,805	73,817	2,341	223,963
Additions	435	-	-	435
Revision of abandonment estimate	-	-	(113)	(113)
At 31 December 2013	**148,240**	**73,817**	**2,228**	**224,285**
Accumulated depreciation				
At 1 January 2013	140,242	68,285	1,399	209,926
Charge for the year	999	922	105	2,026
At 31 December 2013	**141,241**	**69,207**	**1,504**	**211,952**
Net book value				
At 31 December 2013	**6,999**	**4,610**	**724**	**12,333**
At 31 December 2012	7,563	5,532	942	14,037

Notes to the Financial Statements for the year ended 31 December 2013 (continued)

11. Debtors

	2013 £000	2012 £000
Amounts owed by fellow Group undertakings	**129,773**	138,669
Value Added Tax	**136**	134
Other debtors	**71**	93
Prepayments and accrued income	**306**	250
	130,286	139,146

Included within the amounts owed by Group undertakings is a net receivable of £129,480,000 (2012:£136,250,000) consisting of interest bearing and non-interest bearing balances to the same Group undertaking. The interest bearing balance comprises a receivable of £143,550,000 (2012:£133,209,000) that bears interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds. The non-interest bearing balance comprises a payable of £14,070,000 (2012: receivable £3,041,000). These two balances netted to a receivable of £129,480,000.

The quarterly rates ranged between 2.34 and 3.19% per annum during 2013 (2012: 3.28 and 3.51%). The other amounts receivable from Group undertakings are interest-free. All amounts receivable from Group undertakings are unsecured and repayable on demand.

Deferred taxation

The deferred corporation tax asset is analysed as follows:

	Provided		Unprovided	
	2013 £000	2012 £000	**2013 £000**	2012 £000
Deferred corporation tax				
- accelerated capital allowances	-	-	**5,895**	8,310
- other timing differences	-	-	**391**	398
	-	-	**6,286**	8,708

Deferred tax assets have not been recognised due to uncertainty over future taxable profits.

12. Creditors – amounts falling due within one year

	2013 £000	2012 £000
Bank overdraft	**11**	14
Trade creditors	**508**	269
Amounts owed to Group undertakings	**141,395**	145,856
EU ETS emissions obligations	**858**	12
Accruals and deferred income	**446**	587
Community Energy Savings Programme	**-**	209
	143,218	146,947

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

Notes to the Financial Statements for the year ended 31 December 2013 (continued)

13. Provisions for liabilities

	Decommissioning provision £000
At 1 January 2013	2,673
Revisions and additions	(113)
Charged to the Profit and Loss Account	122
At 31 December 2013	**2,682**

Decommissioning provision
The decommissioning provision represents the future expected costs of decommissioning the station at the end of its useful economic life, discounted to its present value (note 1). The decommissioning is expected to occur in 2020.

14. Called up share capital

	2013 £	2012 £
Allotted and fully paid		
2 ordinary shares of £1 each (2012: 2 ordinary shares of £1 each)	**2**	2

15. Reconciliation of movements in shareholders'(deficit) / funds

	2013 £000	2012 £000
Opening shareholders' funds / (deficit)	**3,563**	(7,497)
(Loss) / profit for the financial year	**(6,844)**	11,060
Closing shareholders' (deficit) / funds	**(3,281)**	3,563

Notes to the Financial Statements for the year ended 31 December 2013 (continued)

16. Financial commitments

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

	Plant and machinery	
	2013	2012
	£000	£000
Within one year	**14**	-
Within two to five years	**-**	15
After five years	**4**	21

Contracted future capital expenditure as at 31 December 2013 was £nil (2012: £104,719).

17. Post balance sheet events

The ultimate parent company, Centrica plc, announced on 8 May 2014 that it intends to dispose of its holding in the Company. No adjustments to the financial statements are considered necessary in respect of this announcement.

18. Ultimate parent undertaking

The Company's immediate parent undertaking is GB Gas Holdings Limited, a company registered in England and Wales.

The Company's ultimate parent undertaking and controlling party is Centrica plc, a company registered in England and Wales, which is the only company to include these financial statements in its consolidated financial statements. Copies of the Centrica plc consolidated financial statements may be obtained from www.centrica.com.