

EDF ENERGY FLEET SERVICES LIMITED

REGISTERED NUMBER: 06573892

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

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EDF ENERGY FLEET SERVICES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

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Directors	Graeme Bellingham Ariel Fefer
Company secretary	Joe Souto
Auditor	Deloitte LLP 1 New Street Square London United Kingdom EC4A 3HQ
Registered office	90 Whitfield Street London England W1T 4EZ

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STRATEGIC REPORT

The Directors present their Strategic Report for the year ended 31 December 2018.

Principal activity

The principal activity of the Company is the provision of fleet services to companies within the EDF Energy Holdings Limited Group (the "Group"). This activity ceased on 18 December 2018 as it is the intention of the Directors to wind up the Company in the foreseeable future.

Review of the business

The profit for the year before taxation amounted to £1,352k (2017: £610k) and the profit after taxation amounted to £1,084k (2017: £511k). The net assets at 31 December 2018 amounted to £4,331k (2017: £3,247k).

EDF Energy Fleet Services (the "Company") is a wholly-owned subsidiary of EDF Energy Holdings Limited (the "Group") which manages its operations on a group 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 Group which includes the Company, and future likely developments of the business is discussed in the Group's Annual Report which does not form part of this report.

Principal risks and uncertainties

Due to the nature of the Company's business and the assets and liabilities contained within the Company's balance sheet the financial risks the Directors consider relevant to this Company are credit risk and liquidity risk.

Liquidity risk

Liquidity risk is the risk that the Company does not have sufficient funds available for ongoing operations. The Company's exposure to liquidity risk is mitigated by the financial support given by EDF Energy Limited (previously EDF Energy plc), a fellow Group company.

Credit risk

The Company's credit risk is primarily attributable to its debtors. 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.

The Company is not exposed to any significant currency or interest rate risk.

EU Referendum

The UK Government has announced that the UK will leave the EU during 2019. Economists have assessed that a no-deal Brexit could result in lower base interest rates and higher inflation, following an expected weakening of sterling compared to other currencies. The impact of such potential changes is expected to be immaterial to the financial statements of the Company.

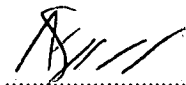
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STRATEGIC REPORT (CONTINUED)

Going concern

The intention of the Directors is to wind up the Company, and as a result, the Directors have prepared the financial statements on the basis that the Company is no longer a going concern. The entity has ceased to trade and has no alternative means to trade at the date of this report. No material adjustments have arisen as a result of ceasing to apply the going concern basis.

Approved by the Board on 13/12/18 and signed on its behalf by:



.....
Ariel Fefer
Director

EDF ENERGY FLEET SERVICES LIMITED
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DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 December 2018.

Principal risks, uncertainties and going concern are contained within the Strategic Report.

Directors

The Directors who held office during the year and up to date of signing this report unless otherwise stated were as follows:

Graeme Bellingham

Ariel Fefer (appointed 4 April 2018)

David Tomblin (resigned 4 April 2018)

None of the Directors had a service contract with the Company. 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 held any interests in the shares or debentures of the Company or the Group that are required to be disclosed under the Companies Act 2006.

Dividends

The Directors do not recommend payment of a dividend (2017: £nil).

Political donations

The Company made no political donations in either the current or prior year.

Future developments

The future developments of the Company are outlined in the principal activity section in the Strategic report

Directors' liabilities

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

Disclosure of information to the auditor

Each of the Directors have taken steps that they ought to have been taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know they know the auditor is unaware.

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

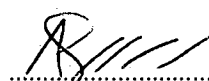
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DIRECTORS' REPORT (CONTINUED)

Reappointment of auditor

It was noted that Deloitte LLP as appointed by the members are deemed to be re-appointed as the auditors to the Company for the financial year ending 31 December 2019 in accordance with the provisions of Section 487(2) of the Companies Act 2006 and that the Directors have been authorised to fix the remuneration of the auditors.

Approved by the Board on 11/1/19 and signed on its behalf by: -


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Ariel Fefer
Director

EDF ENERGY FLEET SERVICES LIMITED
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DIRECTORS' RESPONSIBILITIES 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), including Financial Reporting Standard 101 "Reduced Disclosure Framework". 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDF ENERGY FLEET SERVICES LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of EDF Energy Fleet services Limited (the 'company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

We draw attention to note 2 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDF ENERGY FLEET SERVICES LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of Directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDF ENERGY FLEET SERVICES LIMITED

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Use of our report

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.

Nigel Thomas

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Nigel Thomas (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor

London, United Kingdom

Date: 17/09/2019

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INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £ 000	2017 £ 000
Revenue	4	2,747	7,876
Personnel expenses	5	(77)	(97)
Other operating expenses		(1,577)	(4,559)
Other gains and losses	6	259	491
Depreciation and amortisation	11	-	(3,101)
Profit before taxation	8	1,352	610
Taxation	9	(268)	(99)
Profit for the year		1,084	511

There were no recognised gains or losses during the current or prior year other than the profits shown above. Accordingly, no statement of comprehensive income has been presented.

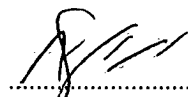
The above results were derived from discontinued operations in current year and continuing operations in preceding year.

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BALANCE SHEET
AT 31 DECEMBER 2018

	Note	2018 £ 000	2017 £ 000
Non-current assets			
Property, plant and equipment	11	-	1,244
Current assets			
Trade and other receivables	12	6,237	1,187
Assets held for sale	10	-	12,175
		<u>6,237</u>	<u>13,362</u>
Total assets		<u>6,237</u>	<u>14,606</u>
Current liabilities			
Other liabilities	13	(1,219)	(10,779)
Current tax liability		<u>(687)</u>	<u>(392)</u>
		<u>(1,906)</u>	<u>(11,171)</u>
Net current assets		<u>4,331</u>	<u>2,191</u>
Total assets less current liabilities		<u>4,331</u>	<u>3,435</u>
Non-current liabilities			
Deferred tax liability	14	-	(188)
Total liabilities		<u>(1,906)</u>	<u>(11,359)</u>
Net assets		<u>4,331</u>	<u>3,247</u>
Capital and reserves			
Called up share capital	15	-	-
Retained earnings		<u>4,331</u>	<u>3,247</u>
Shareholders' funds		<u>4,331</u>	<u>3,247</u>

The financial statements of EDF Energy Fleet Services Limited (registered number 06573892) on pages 9 to 24 were approved by the Board and authorised for issue on 31/12/18 and signed on its behalf by:



Ariel Fefer
Director

EDF ENERGY FLEET SERVICES LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2017	-	2,736	2,736
Profit for the year	-	511	511
At 31 December 2017	-	3,247	3,247
Profit for the year	-	1,084	1,084
At 31 December 2018	-	4,331	4,331

EDF ENERGY FLEET SERVICES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

1 General information

EDF Energy Fleet Services Limited is a private company limited by shares. It is incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on the contents page.

Basis of preparation

The Company meets the definition of a qualifying entity under Financial Reporting Standard 101 (FRS 101) "Reduced Disclosure Framework". These financial statements were prepared in accordance with FRS 101 Reduced Disclosure Framework.

Changes in accounting policy

Adoption of new and revised International Financial Reporting Standards

The following have been applied for the first time from 1 January 2018 and have had an effect on the financial statements:

IFRS 9 - Financial Instruments

IFRS 9 "Financial Instruments" became mandatory on 1 January 2018. It introduces new principles for classification and measurements of financial instruments, impairment for credit risk on financial assets, and hedge accounting. In application of the simplified approach allowed by IFRS 9, the comparative figures for the first year of application have not been restated. There have been no changes to the accounting treatment as a result of the adoption of IFRS 9.

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 "Revenue from Contracts with Customers" became applicable on 1 January 2018. The company has applied the full retrospective approach, which has no impact on opening equity. There have been no changes to the accounting treatment as a result of the adoption of IFRS 15.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the period presented, unless otherwise stated.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the asset. The financial statements are presented in pounds sterling as that is the currency for the primary economic environment in which the Company operates.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 Accounting policies (continued)

Summary of disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- a) The requirements of IFRS 7 Financial Instruments: Disclosures;
- b) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- c) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 79(a)(iv) of IAS 1;
- d) the requirements of paragraphs 10(d), 10(f), and 134-136 of IAS 1 Presentation of Financial Statements;
- e) the requirements of IAS 7 Statement of Cash Flows;
- f) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- g) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- h) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- i) the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets; and
- j) the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a)-119(c), 120-127 and 129 of IFRS 15 Revenue from Contracts with Customers.

Where relevant, equivalent disclosures have been given in the Group accounts, which are available to the public as set out in note 18.

Going concern

The intention of the Directors is to wind up the Company, and as a result, the Directors have prepared the financial statements on the basis that the Company is no longer a going concern. The entity has ceased to trade and has no alternative means to trade at the date of this report. No material adjustments have arisen as a result of ceasing to apply the going concern basis.

Revenue recognition

Revenue is recognised to depict the transfer of promised goods and services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods and services. Revenue is recognised either when the performance obligation in the contract has been performed or as control of the performance obligation is passed to the customer.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 Accounting policies (continued)

Taxation

Current tax

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 by the balance sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax

Deferred tax is provided or recognised in full using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax arising from (1) the initial recognition of goodwill, (2) the initial recognition of assets or liabilities in a transaction (other than in a business combination) that affects neither the taxable profit nor the accounting profit, or (3) differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future, is not provided for.

Deferred tax assets are recognised to the extent it is more likely than not that future taxable profits will be available against which the temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply for the period when the asset is realised or the liability is settled based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

Current tax and deferred tax for the year

Current tax and deferred tax are recognised in the income statement, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Tangible assets

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 Accounting policies (continued)

Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Motor Vehicles	Five years, straight line
Light commercial vehicles	Seven years, straight line

Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost, less provision for expected credit loss. The estimated expected credit loss for 2018 is deemed immaterial and is set at nil.

Group trade receivables are interest free and stated at their nominal value.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost.

Group trade payables are interest free and stated at their nominal value.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental income from operating leases is recognised in the income statement on a straight-line basis over the term of the lease, even if payments are not made on this basis.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 Accounting policies (continued)

Impairment of non-financial assets

At each balance sheet date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell 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 for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) 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 (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statement.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no critical judgements or estimations that the Directors have made in the process of applying the accounting policies of the Company, that are deemed to have a significant effect on the amounts recognised in the financial statements.

EDF ENERGY FLEET SERVICES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Revenue

Revenue, which is stated net of value added tax, arises entirely in the United Kingdom and is attributable to the supply of fleet services to the Group.

The analysis of the Company's revenue for the year from continuing operations is as follows:

	2018	2017
	£ 000	£ 000
Sales of fleet services	<u>2,747</u>	<u>7,876</u>

Rental income earned in the current year from leases is £439k (2017: £4,926k). The Company continued to lease its fleet services to companies in the Group during the first month of the current financial year, before disposing majority of the vehicles and terminating all related lease contracts. Revenue of £2,148k (2017: £2,542k) relates to additional services provided outside of the rental agreements such as the provision of fuel and accident repairs. The remaining £160k (2017: £408k) relates to external income.

EDF ENERGY FLEET SERVICES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Personnel expenses

The aggregate payroll costs were as follows:

	2018	2017
	£ 000	£ 000
Wages and salaries	54	68
Social security costs	5	6
Other Pension costs	18	23
	<u>77</u>	<u>97</u>

The Company had no direct employees in 2018 (2017: none).

Staff costs relate to amounts recharged for the provision of services by staff employed by subsidiaries of the EDF Group.

6 Other gains and losses

The analysis of the Company's other gains and losses for the year is as follows:

	2018	2017
	£ 000	£ 000
Gain on disposal of property, plant and equipment	<u>259</u>	<u>491</u>

7 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. Details of total Directors' remuneration is available in the group accounts, which are available to the public as set out in note 18.

No Director (2017: none) held any interests in the shares or debentures of the Company or the Group required to be disclosed under the Companies Act 2006.

8 Profit before taxation

In 2018 an amount of £11,985 (2017: £15,375) was paid to Deloitte LLP for audit services. This charge was borne by another Group company in both the current and prior year. In 2018, the amount payable to Deloitte LLP by the company in respect of other assurance services was £nil (2017: £nil).

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YEAR ENDED 31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 Tax on profit on discontinued/ continuing activities

a) Tax charged in the income statement

	2018 £ 000	2017 £ 000
Current taxation		
UK corporation tax charge on profits made in the year	456	98
Deferred taxation		
Current year charge / (credit)	(185)	2
Effect of decreased tax rate on opening balance	(3)	(1)
Total deferred tax charge / (credit) in the year	(188)	1
Income tax charge reported in the income statement	<u>268</u>	<u>99</u>

b) The tax on profit before tax for the year is higher (2017: lower) than the standard rate of corporation tax in the UK of 19% (2017: 19.25%).

The charge for the year can be reconciled to the profit in the income statement as follows:

	2018 £ 000	2017 £ 000
Profit before tax	<u>1,352</u>	<u>610</u>
Tax at the UK corporation tax rate of 19.00% (2017: 19.25%)	257	117
Effect of:		
Other non-deductible expenses and non-taxable income	(8)	(16)
Current year effect of deferred tax rate change	22	-
Adjustment to prior-year corporation tax (credit)	-	-
Impact of decreased tax rate on opening deferred tax balance	(3)	(2)
Tax charge reported in the income statement	<u>268</u>	<u>99</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 Tax on profit on discontinued/ continuing activities (continued)

(c) Other factors affecting the tax charge for the year:

The accounting for deferred tax follows the accounting treatment of the underlying item on which deferred tax is being provided and hence is booked within equity if the underlying item is booked within equity.

Changes to the main rate of corporation tax were announced in Finance (No. 2) Act 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%.

Finance Act 2016 announced a reduction in the main rate of corporation tax for the financial year beginning 1 April 2020 from 18% to 17%.

The closing deferred tax balance at 31 December 2018 has been calculated at 17.00% (31 December 2017: 17.25%). This is the average tax rate at which the reversal of the net deferred tax liability is expected to occur.

10 Assets held for sale

1,281 vehicles were classified as held for sale at the end of December 2017, these were all sold during 2018 with majority of the vehicles sold in January 2018.

An loss on disposal of £608k was recognised in 2018 for assets held for sale.

	Year ended 31 December 2018	Year ended 31 December 2017
	£ 000	£ 000
Property, plant and equipment	-	12,175
Net assets held for sale	-	12,175

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 Property, plant and equipment

	Light commercial vehicles £ 000	Motor vehicles £ 000	Total £ 000
Cost			
At 1 January 2018	967	373	1,340
Write off	(84)	-	(84)
Disposals	(883)	(373)	(1,256)
At 31 December 2018	-	-	-
Depreciation			
At 1 January 2018	46	50	96
Disposals	(46)	(50)	(96)
At 31 December 2018	-	-	-
Carrying amount			
At 31 December 2018	-	-	-
At 31 December 2017	921	323	1,244

All property, plant and equipment were disposed off during 2018, leaving a nil balance at the end of 31 December 2018.

12 Trade and other receivables

	2018 £ 000	2017 £ 000
Trade receivables	125	151
Amounts owed by other Group companies	6,083	605
Prepayments and other debtors	29	431
	6,237	1,187

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Trade and other receivables (continued)

EDF Energy Limited operates a cash concentration arrangement which physically offsets cash balances and overdrafts between subsidiaries companies. In 2018 the Company had cash which covered overdrafts in other Group companies of £5,799k (2017: overdraft of £9,463k). This amount, therefore, has been presented as an amount owed by other Group companies to reflect the nature of this agreement. The Company's overdraft balance in 2017 is included in the amounts due to other Group companies, refer to note 13.

Amounts owed by other Group companies are unsecured, interest free and repayable on demand.

The above amounts approximate fair value.

13 Other liabilities

	2018	2017
	£ 000	£ 000
Trade payables	81	509
Accruals	1,010	807
Amounts due to other Group companies	16	9,463
Other payables	<u>112</u>	<u>-</u>
	<u><u>1,219</u></u>	<u><u>10,779</u></u>

Amounts due to other Group companies are unsecured, interest free and repayable on demand. These amounts approximate fair value.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 Deferred tax

The following are the major deferred tax (liabilities) and assets recognised by the Company and movements thereon during the current and prior reporting period:

	Accelerated capital allowances
	£ 000
At 1 January 2017	(187)
Credit / (charge) to income	
<i>current year</i>	(2)
<i>effect of decreased tax rate on opening liability</i>	1
At 1 January 2018	<u>(188)</u>
Credit / (charge) to income	
<i>current year</i>	185
<i>effect of decreased tax rate on opening liability</i>	3
At 31 December 2018	<u><u>-</u></u>

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2018	2017
	£ 000	£ 000
Deferred tax liabilities	<u>-</u>	<u>(188)</u>

15 Share capital

Allotted, called up and fully paid shares

	No.	2018 £	No.	2017 £
Ordinary Shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

The Company has one class of Ordinary shares which carry no right to fixed income.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Leases

Company as a lessor

At the balance sheet date, the Company had contracted with lessees for the following future minimum lease payments receivable:

	2018	2017
	£ 000	£ 000
Within one year	-	6,068
In the second to fifth years inclusive	-	17,866
After five years	-	1,663
	<u>-</u>	<u>25,597</u>

In 2018, the Company sold majority of its vehicles to Arval UK Limited and terminated all lease contracts with lessees. Following the sale and the termination of lease contracts, vehicles were leased back from Arval UK Limited by other subsidiaries within the Group.

17 Related party transactions

The Company has taken advantage exemption in FRS 101 Reduced Disclosure Framework from disclosing transactions with other members of the Group, which would otherwise be required for disclosure under IAS 24.

18 Parent undertaking and controlling party

EDF Energy Limited holds a 100% interest in the Company and is considered to be the immediate parent company. EDF Energy Holdings Limited is the smallest group for which consolidated financial statements are prepared. Copies of that company's consolidated financial statements may be obtained from the registered address at 90 Whitfield Street, London, W1T 4EZ.

At 31 December 2018, Électricité 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 the registered address at Électricité de France SA, 22-30 Avenue de Wagram, 75382, Paris, Cedex 08, France.