

REGISTERED NUMBER: 09941394 (England and Wales)

**Bradwell Power Generation Company  
Limited**

**Report of the Directors and  
Financial Statements for the Year Ended 31 December 2020**



**Bradwell Power Generation Company**  
**Limited**

**Contents of the Financial Statements**  
**for the Year Ended 31 December 2020**

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**Bradwell Power Generation Company**  
**Limited**

**Company Information**  
**for the Year Ended 31 December 2020**

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**Directors:**

Qing Mao  
Minhong Zhu  
Humphrey Allen Edward Cadoux-Hudson  
Frederic Rene Jean Mayoux  
Benfu Wang  
Zhengping Deng

**Registered office:**

5th Floor Rex House  
4-12 Lower Regent Street  
London  
SW1Y 4PE

**Registered number:**

09941394 (England and Wales)

**Independent auditor:**

KPMG LLP  
66 Queen Square  
Bristol  
BS1 4BE

**Bradwell Power Generation Company**  
**Limited**

**Report of the Directors**  
**for the Year Ended 31 December 2020**

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The Directors present their report and the financial statements for the year ended 31 December 2020.

The Company, by virtue of qualifying as small under sections 382 and 383 of the Companies Act 2006, has taken advantage of the exemption from preparing a Strategic Report as permitted under section 414A(2) of the Companies Act 2006.

**Principal activity**

The principal activity of Bradwell Power Generation Company Limited ("the Company") is the design and construction of a nuclear power station at Bradwell, Essex.

**Future developments**

The directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

**Directors**

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

Humphrey Allen Edward Cadoux-Hudson  
Minhong Zhu  
Qing Mao  
Alan Paul Raymant

Other changes in directors holding office are as follows:

Frederic Rene Jean Mayoux was appointed as a director on 18 March 2021, Benfu Wang was appointed as a director on 10 June 2021 and Zhengping Deng was appointed as a director on 10 November 2021.

Dongshan Zheng resigned on 22 February 2021, Yu Qi resigned on 10 June 2021, Patrick Pruvot resigned on 18 March 2021 and Alan Paul Raymant resigned on 30 November 2021 as directors..

**Covid 19**

Following the outbreak of the Covid 19 pandemic the company took measures to protect the health and safety of its staff. This has meant closing its office and requiring staff to work from home. Enhanced video conferencing and other improvements to remote working minimised disruption to the company's activities.

Despite the limitations imposed by Covid 19, 2020 was a successful year, and the majority of our milestones were met.

A phased return of staff to the office is expected to commence in the fourth quarter of 2021.

**Political donations and expenditure**

The Company made no political donations in the current year (2019: £ nil).

**Post balance sheet events**

There have been no significant events affecting the Company since the period end.

**Directors' liabilities**

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

**Dividends**

No dividends were declared or paid to the parent company during the year (2019: £ nil).

**Bradwell Power Generation Company**  
**Limited**

**Report of the Directors**  
**for the Year Ended 31 December 2020**

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**Going concern**

The financial statements are prepared on a going concern basis which the directors believe to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides and the anticipated impact of COVID-19 on the operations and its financial resources, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

The Company has been equity-funded since incorporation. Following completion and signature of the Shareholder Agreement in September 2016, both shareholders are obliged to act in accordance with the provisions of that Agreement in relation to the Cash Calls to ensure the required funds are made available to the Company to ensure it is able to continue to operate. Taking this agreement into account, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

The continuation of the Bradwell B project is conditional on obtaining UK government and regulatory approval, a sufficient investment framework being in place and Shareholder Board approval. The recoverability of the fixed asset balances and discharge of liabilities at December 2020 is dependent upon the project achieving Final Investment Decision (FID) and forecast profitability. As with any company placing reliance on future events out of their control, there can be no certainty that UK government approval and sufficient investment framework will be forthcoming although, at the date of reporting, the Directors have no reason to believe they will not do so.

Based on the above, the directors believe it remains appropriate to prepare the financial statements on a going concern basis. However, these circumstances represent a material uncertainty that may cast significant doubt upon the company's ability to continue as a going concern and, therefore to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

**Statement as to disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he/ she ought to have taken as a director to make himself/ herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Auditors**

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

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**On behalf of the board:**



.....  
Minhong Zhu - Director

Date: 23 December 2021 .....

Registered office address:  
5th Floor Rex House  
4-12 Lower Regent Street  
London, SW1Y 4PE

**Bradwell Power Generation Company**  
**Limited**

**Statement of Directors' Responsibilities in respect of the Directors' report and the Financial Statements**  
**for the Year Ended 31 December 2020**

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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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**Independent Auditor's Report to the Members of**  
**Bradwell Power Generation Company**  
**Limited**

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**Opinion**

We have audited the financial statements of Bradwell Power Generation Company Limited ("the company") for the year ended 31 December 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

**Material uncertainty related to going concern**

We draw attention to note 2 to the financial statements which indicates that the Company's ability to continue as a going concern is dependent on the company obtaining UK government and regulatory approval, a sufficient investment framework being in place and obtaining Shareholder board approval in relation to the Bradwell B Nuclear power station. These events and conditions, along with the other matters explained in note 2, constitute a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

**Going concern basis of preparation**

The directors have prepared the financial statements on the going concern basis. As stated above, they have concluded that a material uncertainty related to going concern exists.

Based on our financial statements audit work, we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

**Fraud and breaches of laws and regulations – ability to detect**

*Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, internal audit and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading board meeting minutes.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that Company management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as capitalization of costs and recoverability of PPE. On this audit we do not believe there is a fraud risk related to revenue recognition because there is no revenue recognised.

We also identified a fraud risk related to inappropriate capitalisation of development costs and recoverability of PPE, in response to possible pressures to meet budgetary targets.

**Independent Auditor's Report to the Members of**  
**Bradwell Power Generation Company**  
**Limited**

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We performed procedures including:

- Assessing the appropriateness of development costs capitalized.
- Challenging management's impairment assessment by comparing the assumptions used to external data in relation to key inputs such as the UK Government White Paper on Energy and project progress.
- Identifying journal entries based on risk criteria and comparing the identified entries to supporting documentation. These included unusual combinations for capitalization of costs and manipulation of cash spend against budget to meet certain targets.
- Assessing whether the critical accounting judgements made are indicative of a potential bias.

*Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines. We identified the following areas as those most likely to have such an effect: employment law, anti-bribery, foreign corrupt policies act, export control and money laundering. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

*Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.



**Independent Auditor's Report to the Members of**  
**Bradwell Power Generation Company**  
**Limited**

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**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

**Directors' responsibilities**

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

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.



**James Ledward (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
66 Queen Square  
Bristol  
BS1 4BE

Date: 23 December 2021

**Bradwell Power Generation Company**  
**Limited**

**Statement of Comprehensive Income**  
**for the Year Ended 31 December 2020**

	Notes	31.12.20 £	31.12.19 £
Administrative expenses		<u>(2,698,503)</u>	<u>(1,592,104)</u>
<b>Operating loss</b>		<b>(2,698,503)</b>	<b>(1,592,104)</b>
Interest receivable	5	3,839,728	3,847,431
Interest payable and similar expenses	6	<u>(10,476)</u>	<u>(9,080)</u>
<b>Profit before taxation</b>	7	1,130,749	2,246,247
Tax on profit	9	<u>(725,675)</u>	<u>(728,393)</u>
<b>Profit for the financial year</b>		405,074	1,517,854
<b>Other comprehensive income</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u><u>405,074</u></u>	<u><u>1,517,854</u></u>

The notes on pages 11 to 27 form part of these financial statements

**Bradwell Power Generation Company**  
**Limited**

**Balance Sheet**  
**31 December 2020**

	Notes	31.12.20 £	31.12.19 £
<b>Fixed assets</b>			
Owned			
Intangible assets	10	205,175	-
Tangible assets	11	134,100,036	71,183,751
Right-of-use			
Tangible assets	11, 16	<u>74,148,478</u>	<u>75,548,406</u>
		<u>208,453,689</u>	<u>146,732,157</u>
<b>Current assets</b>			
Debtors amounts falling due within one year	12	3,175,176	1,967,194
Debtors amounts falling due after more than one year	12	102,207,709	102,204,221
Cash at bank		<u>6,377,053</u>	<u>35,965,228</u>
		111,759,938	140,136,643
<b>Creditors</b>			
Amounts falling due within one year	13	<u>(37,013,026)</u>	<u>(25,090,634)</u>
<b>Net current assets</b>		<u>74,746,912</u>	<u>115,046,009</u>
<b>Total assets less current liabilities</b>		283,200,601	261,778,166
<b>Creditors</b>			
Amounts falling due after more than one year	14	<u>(73,086,226)</u>	<u>(75,068,865)</u>
<b>Net assets</b>		<u>210,114,375</u>	<u>186,709,301</u>
<b>Capital and reserves</b>			
Called up share capital	17	22,045,000	22,045,000
Capital reserve	18	186,400,000	163,400,000
Retained earnings	18	<u>1,669,375</u>	<u>1,264,301</u>
<b>Shareholders' funds</b>		<u>210,114,375</u>	<u>186,709,301</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements of Bradwell Power Generation Company Limited (registered number: 09941394) were approved by the Board of Directors and authorised for issue on 23 December 2021 and were signed on its behalf by:



Minhong Zhu - Director

The notes on pages 11 to 27 form part of these financial statements

**Bradwell Power Generation Company  
Limited**

**Statement of Changes in Equity  
for the Year Ended 31 December 2020**

	Called up share capital £	Retained earnings £	Capital reserve £	Total equity £
<b>Balance at 1 January 2019</b>	22,045,000	(253,553)	123,400,000	145,191,447
<b>Changes in equity</b>				
Total comprehensive income	-	1,517,854	-	1,517,854
Capital contribution	-	-	40,000,000	40,000,000
<b>Balance at 31 December 2019</b>	<u>22,045,000</u>	<u>1,264,301</u>	<u>163,400,000</u>	<u>186,709,301</u>
<b>Changes in equity</b>				
Total comprehensive income	-	405,074	-	405,074
Capital contribution	-	-	23,000,000	23,000,000
<b>Balance at 31 December 2020</b>	<u><u>22,045,000</u></u>	<u><u>1,669,375</u></u>	<u><u>186,400,000</u></u>	<u><u>210,114,375</u></u>

The notes on pages 11 to 27 form part of these financial statements

**Bradwell Power Generation Company**  
**Limited**

**Notes to the Financial Statements**  
**for the Year Ended 31 December 2020**

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**1. General information**

Bradwell Power Generation Company Limited ("The Company") is a private company, incorporated, domiciled and registered in England and Wales. The registered number is 09941394.

The address of the Company's registered office is Fifth Floor, Rex House, 4-12 Lower Regent Street, London SW1Y 4PE.

The principal activities of the Company and the nature of the Company's operations are set out in the directors' report (page 2).

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

**2. Accounting policies**

**Basis of preparation**

The Company's ultimate parent undertaking, China General Nuclear Power Corporation Ltd (CGN) includes the Company in its consolidated financial statements. The consolidated financial statements of China General Nuclear Power Corporation Ltd (CGN) are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from address CGN building, No.2002, Shennan Rd, Shenzhen, 518035, P.R. China.

**Going concern**

The financial statements are prepared on a going concern basis which the directors believe to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides and the anticipated impact of COVID-19 on the operations and its financial resources, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

The Company has been equity-funded since incorporation. Following completion and signature of the Shareholder Agreement in September 2016, both shareholders are obliged to act in accordance with the provisions of that Agreement in relation to the Cash Calls to ensure the required funds are made available to the Company to ensure it is able to continue to operate. Taking this agreement into account, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

The continuation of the Bradwell B project is conditional on obtaining UK government and regulatory approval, a sufficient investment framework being in place and Shareholder Board approval. The recoverability of the fixed asset balances and discharge of liabilities at December 2020 is dependent upon the project achieving Final Investment Decision (FID) and forecast profitability. As with any company placing reliance on future events out of their control, there can be no certainty that UK government approval and sufficient investment framework will be forthcoming although, at the date of reporting, the Directors have no reason to believe they will not do so.

**Bradwell Power Generation Company**  
**Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2020**

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**2. Accounting policies – continued**

**Going concern-continued**

Based on the above, the directors believe it remains appropriate to prepare the financial statements on a going concern basis. However, these circumstances represent a material uncertainty that may cast significant doubt upon the company's ability to continue as a going concern and, therefore to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment properties;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel;

As the consolidated financial statements of General Nuclear International Ltd. include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share-Based Payments in respect of group settled share-based payments
- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company [in the current and prior periods including the comparative period reconciliation for goodwill]; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 3.

The financial statements have been prepared on the historical cost basis.

The principal accounting policies adopted are set out below.

The Company has adopted the following IFRSs in these financial statements:

- IFRIC 23 - Uncertainty over Income Tax Treatments
- Amendments to IAS 8: Definition of material

Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

**Intangible assets**

Intangible assets are stated at cost net of amortisation, and less accumulated impairment losses. Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset over its useful life.

Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Computer software- 5 years.

**Bradwell Power Generation Company**  
**Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2020**

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**2. Accounting policies - continued**

**Tangible fixed assets**

Tangible fixed assets are stated at cost, net of depreciation and accumulated impairment losses.

Depreciation is provided on tangible fixed assets except the leasehold land at Bradwell, Essex, at rates calculated to write-off the cost of each asset evenly over its expected life.

Office furniture - 5 years and office fixtures over duration of lease

Office and computing equipment - 5 years.

Motor vehicles - 5 years.

Asset under construction - amounts capitalised include the total cost of external services, labour costs, depreciation and interest paid directly attributable to the construction. Management judgment, (described in Note 3 Critical accounting judgement and key estimates) is involved in determining the appropriate internal costs to capitalise and the amounts involved.

The recoverability of asset under construction expenditure is reviewed annually, however achievement of Final Investment Decision and for successful delivery of the power station that will be profitably operated are key judgements in the assessment of the carrying value of these costs.

Depreciation of plant construction costs and amortisation of the land lease, once it is completed brought into use, will be over its useful life, estimated to be 60 years.

**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. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the higher of the fair value less costs to sell and the 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. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

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 profit and loss.

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, net of depreciation or amortisation, 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 profit and loss.

**Bradwell Power Generation Company**  
**Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2020**

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**2. Accounting policies - continued**

**Financial instruments**

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

**(a) Classification**

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**(b) Subsequent measurement and gains and losses**

Financial assets at FVTPL - these assets (other than derivatives designated as hedging instruments) are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI - these assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI - these assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

**Receivables**

Trade receivables, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.



**Bradwell Power Generation Company**  
**Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2020**

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**2. Accounting policies - continued**

**Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

**Current tax**

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. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**Bradwell Power Generation Company**  
**Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2020**

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**2. Accounting policies - continued**

**Foreign currencies**

For the purpose of the financial statements, the results and financial position of the company are expressed in sterling, which is the functional currency of the Company, and the presentation currency for the financial statements.

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Foreign exchange differences arising on translation are recognised in the profit and loss account.

**Leases**

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**The Company as lessee**

The Company recognises a right-of-use asset initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following.

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- Lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option;
- Penalties for terminating the lease, unless the Company is reasonably certain not to terminate early.

The lease liability is presented as a separate line in the consolidated statement of financial position.

**Bradwell Power Generation Company**  
**Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2020**

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**2. Leases - continued**

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

**Short term leases and leases of low-value assets.**

The Company has elected not to recognise right-of-use assets and lease liabilities for lease of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**Employee benefit costs**

**Employee benefit costs – defined contribution plan**

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

**Bradwell Power Generation Company**  
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**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2020**

**3. Critical accounting judgements**

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

The critical accounting judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting judgements are recognised in the period in which the assumptions 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 sources of estimation uncertainty.

**Critical judgements**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and critical accounting judgements on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

**Capitalisation of cost**

Management are required to make judgement in relation to the capitalisation of costs. This relates either when amounts may begin to be capitalised, where there may be doubt about regulatory approval or the ultimate completion of the asset, and in relation to the nature of costs incurred. Judgement has been exercised in the year including in relation to:

- assessment of costs that are directly attributable to the construction of nuclear power generation plant at the Bradwell site,
- that regulatory approvals will be received
- that the decision to proceed to construction will be made
- that future economic benefits will derive from the nuclear power generation plant when completed.

	Asset under construction £
Cost at 1 January 2019	31,211,255
Additions in 2019	<u>37,630,887</u>
Cost at 31 December 2019	68,842,142
Additions in 2020	<u>62,114,398</u>
Cost at 31 December 2020	<u>130,956,540</u>

**Carrying value of property, plant and equipment**

The Company reviews the carrying value of property, plant and equipment on an annual basis for indicators of impairment. As at 31 December 2020, there were no indicators of impairment as the developments are at the early stage of a long term Nuclear New Build project. However, achievements of Final Investment Decision (FID), the ability of the company to achieve the future performance measures for successful delivery of the power station to appropriate safety and quality standards, on time and on budget as well as the ability to achieve future forecast financial returns once the project is operational are key judgements in the ongoing assessment of the carrying value of property, plant and equipment.

**Bradwell Power Generation Company  
Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020**

**4. Employees and directors**

The average number of employees during the year was as follows:

	31.12.20	31.12.19
Director	7	7
Staff	<u>33</u>	<u>10</u>
	<u><u>40</u></u>	<u><u>17</u></u>

The aggregate payroll costs of these persons were as follows:

	31.12.20	31.12.19
	£	£
Wages and salaries	5,004,233	2,118,940
Social security costs	483,991	272,508
Other pension costs	<u>86,423</u>	<u>30,118</u>
	<u><u>5,574,647</u></u>	<u><u>2,421,566</u></u>

Wages and salaries includes seconded staff from other CGN and EDF companies.

Except for Alan Raymant the other directors are paid by CGN and EDF for services to their respective groups.

**5. Interest receivable**

	31.12.20	31.12.19
	£	£
Deposit account interest	22,298	40,431
Land purchase deposit	<u>3,817,430</u>	<u>3,807,000</u>
	<u><u>3,839,728</u></u>	<u><u>3,847,431</u></u>

**6. Interest payable and similar expenses**

	31.12.20	31.12.19
	£	£
Interest paid	10,476	5,524
Leasing	1,957,055	1,965,452
Expenditure capitalised	<u>(1,957,055)</u>	<u>(1,961,896)</u>
	<u><u>10,476</u></u>	<u><u>9,080</u></u>

**Bradwell Power Generation Company  
Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020**

**7. Profit before taxation**

The profit before taxation is stated after charging/(crediting):

	31.12.20	31.12.19
	£	£
Depreciation - owned assets	276,041	(122,987)
Depreciation - assets on finance leases	3,432,060	3,069,663
Loss on disposal of fixed assets	5,880	
Computer software amortisation	15,901	-
Depreciation capitalised	<u>(3,432,059)</u>	<u>(3,064,921)</u>

**8. Auditors' remuneration**

	31.12.20	31.12.19
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	<u>31,000</u>	<u>18,180</u>

Fees include £10,000 (2019:£nil) in respect of the parent company, Bradwell Power Holding Company Limited.

**9. Taxation**

**Analysis of tax expense**

	31.12.20	31.12.19
	£	£
Current tax:		
Tax	<u>725,675</u>	<u>728,393</u>
Total tax expense in statement of comprehensive income	<u>725,675</u>	<u>728,393</u>

**Factors affecting the tax expense**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.20	31.12.19
	£	£
Profit before income tax	<u>1,130,749</u>	<u>2,246,247</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	214,842	426,787
Effects of:		
Losses carried forward for which no deferred tax is recognised	498,212	302,055
Non-deductible expenses	14,504	2,170
Losses claimed from group company	(158)	(2,650)
Tax provision adjustment	<u>(1,725)</u>	<u>31</u>
Tax expense	<u>725,675</u>	<u>728,393</u>

**Bradwell Power Generation Company**  
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**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2020**

**9. Taxation - continued**

In the March 2021 Budget the main rate of UK corporation tax is to increase from 19% to 25%, effective 1 April 2023. This will have a consequential effect on the company's future tax charge.

Deferred tax in respect of the accumulated pre-trading losses £1,906,797 (2019: £1,408,585) is not recognised because offset, under current legislation, against future profits is subject to trading commencing within seven years of the expenditure being incurred.

**10. Intangible fixed assets**

	Computer software £
<b>Cost</b>	
Additions	<u>221,076</u>
At 31 December 2020	<u>221,076</u>
<b>Amortisation</b>	
Amortisation for year	<u>15,901</u>
At 31 December 2020	<u>15,901</u>
<b>Net book value</b>	
At 31 December 2020	<u>205,175</u>

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset over its useful life.

**11. Tangible fixed assets**

	Asset under construction £	Short leasehold £	Long leasehold £	Improvements to property £
<b>Cost</b>				
At 1 January 2020	68,842,142	207,366	79,956,120	-
Additions	62,114,398	2,032,132	-	835,409
Disposals	-	-	-	-
Reclassification/transfer	-	-	-	-
At 31 December 2020	<u>130,956,540</u>	<u>2,239,498</u>	<u>79,956,120</u>	<u>835,409</u>
<b>Depreciation</b>				
At 1 January 2020	-	25,090	3,064,921	-
Charge for year	-	373,924	3,064,921	22,812
Eliminated on disposal	-	-	-	-
Reclassification/transfer	-	-	-	-
At 31 December 2020	<u>-</u>	<u>399,014</u>	<u>6,129,842</u>	<u>22,812</u>
<b>Net book value</b>				
At 31 December 2020	<u>130,956,540</u>	<u>1,840,484</u>	<u>73,826,278</u>	<u>812,597</u>

**Bradwell Power Generation Company  
Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020**

**11. Tangible fixed assets - continued**

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>Cost</b>				
At 1 January 2020	514,152	36,402	1,220,557	150,776,739
Additions	40,430	-	207,969	65,230,338
Disposals	(1,700)	-	(8,336)	(10,036)
Reclassification/transfer	-	-	(617,345)	(617,345)
At 31 December 2020	<u>552,882</u>	<u>36,402</u>	<u>802,845</u>	<u>215,379,696</u>
<b>Depreciation</b>				
At 1 January 2020	223,328	4,035	727,208	4,044,582
Charge for year	81,800	6,916	157,728	3,708,101
Eliminated on disposal	(209)	-	(3,947)	(4,156)
Reclassification/transfer	-	-	(617,345)	(617,345)
At 31 December 2020	<u>304,919</u>	<u>10,951</u>	<u>263,644</u>	<u>7,131,182</u>
<b>Net book value</b>				
At 31 December 2020	<u>247,963</u>	<u>25,451</u>	<u>539,201</u>	<u>208,248,514</u>

	Asset under construction £	Short leasehold £	Long leasehold £
<b>Cost</b>			
At 1 January 2019	31,211,255	65,117	1,480,300
Additions	<u>37,630,887</u>	<u>142,249</u>	<u>78,475,820</u>
At 31 December 2019	<u>68,842,142</u>	<u>207,366</u>	<u>79,956,120</u>
<b>Depreciation</b>			
At 1 January 2019	-	12,887	-
Charge for year	-	12,203	3,064,921
Reclassification/transfer	-	-	-
At 31 December 2019	-	<u>25,090</u>	<u>3,064,921</u>
<b>Net book value</b>			
At 31 December 2019	<u>68,842,142</u>	<u>182,276</u>	<u>76,891,199</u>



**Bradwell Power Generation Company**  
**Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2020**

**11. Tangible fixed assets - continued**

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>Cost</b>				
At 1 January 2019	465,652	-	956,763	34,179,087
Additions	<u>48,500</u>	<u>36,402</u>	<u>263,794</u>	<u>116,597,652</u>
At 31 December 2019	<u>514,152</u>	<u>36,402</u>	<u>1,220,557</u>	<u>150,776,739</u>
<b>Depreciation</b>				
At 1 January 2019	146,512	-	321,162	480,561
Charge for year	76,816	4,035	(211,299)	2,946,676
Reclassification/transfer	<u>-</u>	<u>-</u>	<u>617,345</u>	<u>617,345</u>
At 31 December 2019	<u>223,328</u>	<u>4,035</u>	<u>727,208</u>	<u>4,044,582</u>
<b>Net book value</b>				
At 31 December 2019	<u>290,824</u>	<u>32,367</u>	<u>493,349</u>	<u>146,732,157</u>

During 2017 the company commissioned site investigation studies for the construction of a low carbon nuclear power generation plant. Directly attributable costs are included under assets under construction ("AUC") and will be depreciated when the plant comes into use over the period of its productive life.

The land on which the plant is to be built has been leased with an option to purchase when regulatory approval has been received. This arrangement is accounted for as a finance lease with the option outside the scope of "IFRS 9 -Financial Instruments" such it is not being fair valued. The deposit paid by the Company is accounted for as an interest bearing receivable. (see note 5 and 12)

**Bradwell Power Generation Company**  
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**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2020**

**12. Debtors**

	31.12.20	31.12.19
	£	£
Amounts falling due within one year:		
Amounts owed by group undertakings	43,142	30,812
Other debtors	18,529	251,209
Tax	45,575	-
VAT	2,549,028	845,295
Prepayments and accrued income	<u>518,902</u>	<u>839,878</u>
	<u>3,175,176</u>	<u>1,967,194</u>

Amounts falling due after more than one year:  
Land and rent deposits

<u>102,207,709</u>	<u>102,204,221</u>
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Aggregate amounts

<u>105,382,885</u>	<u>104,171,415</u>
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Amounts due from group entities are interest free and payable on demand.

**13. Creditors: amounts falling due within one year**

	31.12.20	31.12.19
	£	£
Leases (see note 15)	2,829,170	2,400,711
Trade creditors	4,082,870	132,131
Amounts owed to group undertakings	20,704,395	12,944,302
Amounts owed to participating interests	3,213,528	1,459,702
Tax	-	372,036
Other creditors	1,153,160	-
Accrued expenses	<u>5,029,903</u>	<u>7,781,752</u>
	<u>37,013,026</u>	<u>25,090,634</u>

Amounts due from group entities are interest free and payable on demand.

In the prior period accounts £7.3m of accrued expenses were disclosed within the trade creditor balance. The comparative financial statements have been adjusted to classify these appropriately as accrued expenses. There is no overall impact on the comparative balance sheet caption, creditors: amounts falling due within one year.

**14. Creditors: amounts falling due after more than one year**

	31.12.20	31.12.19
	£	£
Leases (see note 15)	73,012,251	73,905,275
Other creditors	<u>73,975</u>	<u>1,163,590</u>
	<u>73,086,226</u>	<u>75,068,865</u>

**Bradwell Power Generation Company  
Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020**

**15. Financial liabilities - borrowings**

	31.12.20 £	31.12.19 £
Current:		
Leases (see note 16)	<u>2,829,170</u>	<u>2,400,711</u>
Non-current:		
Leases (see note 16)	<u>73,012,251</u>	<u>73,905,275</u>

**Terms and debt repayment schedule**

	1 year or less £	2-5 years £	More than 5 years £	Totals £
Leases	<u>2,829,170</u>	<u>11,968,094</u>	<u>61,044,157</u>	<u>75,841,421</u>

**16. Leasing**

**Right-of-use assets**

**Tangible fixed assets**

	31.12.20 £	31.12.19 £
<b>Cost or valuation</b>		
At 1 January 2020	78,618,069	-
Additions	<u>2,032,132</u>	<u>78,618,069</u>
	<u>80,650,201</u>	<u>78,618,069</u>
<b>Depreciation</b>		
At 1 January 2020	3,069,663	-
Charge for year	<u>3,432,060</u>	<u>3,069,663</u>
	<u>6,501,723</u>	<u>3,069,663</u>
<b>Net book value</b>	<u>74,148,478</u>	<u>75,548,406</u>

IFRS16 Leases became applicable on 1 January 2019. The Company has applied this standard without restating the figures for the comparative periods (modified retrospective approach) and opted to value the right-of-use asset at an amount equal to the lease payment liability. The recognition and measurement principles that now apply to lease contracts are described as part of note 2 - Accounting policies.

**Bradwell Power Generation Company**  
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**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2020**

**16. Leasing - continued**

**Lease liabilities**

Minimum lease payments fall due as follows:

	31.12.20 £	31.12.19 £
Gross obligations repayable:		
Within one year	4,725,205	4,308,361
Between one and five years	18,827,607	17,207,047
In more than five years	79,356,164	83,618,574
	<u>102,908,976</u>	<u>105,133,982</u>
Finance charges repayable:		
Within one year	1,896,035	1,907,650
Between one and five years	6,859,513	7,015,495
In more than five years	18,312,007	19,904,851
	<u>27,067,555</u>	<u>28,827,996</u>
Net obligations repayable:		
Within one year	2,829,170	2,400,711
Between one and five years	11,968,094	10,191,552
In more than five years	61,044,157	63,713,723
	<u>75,841,421</u>	<u>76,305,986</u>

In the prior period accounts £2.4m of net obligations repayable under one year were incorrectly classified as more than five years and £10.1m of net obligations repayable between one and five years were incorrectly classified as more than five years. The comparative financial statements have been adjusted to classify these appropriately as under one year and between one and five years respectively. There is no overall impact on the comparative balance sheet caption, lease liabilities.

In the prior period accounts £4.3m of gross obligations repayable and £1.9m finance charges repayable under one year were incorrectly classified as more than five years and £17.2m of gross obligations repayable and £7.01m of finance charges repayable between one and five years were incorrectly classified as more than five years. The comparative financial statements have been adjusted to classify these appropriately as under one year and between one and five years respectively. There is no overall impact on the comparative balance sheet caption, lease liabilities.

**17. Called up share capital**

Allotted, issued and fully paid:			31.12.20	31.12.19
Number:	Class:	Nominal value:	£	£
22,045,000	Ordinary shares	£1	<u>22,045,000</u>	<u>22,045,000</u>

**Bradwell Power Generation Company**  
**Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2020**

**18. Reserves**

	Retained earnings £	Capital reserve £	Totals £
At 1 January 2020	1,264,301	163,400,000	164,664,301
Profit for the year	405,074		405,074
Capital contribution	-	23,000,000	23,000,000
At 31 December 2020	<u>1,669,375</u>	<u>186,400,000</u>	<u>188,069,375</u>

**Capital reserve**

The capital reserve arises from capital contributions from the shareholder during the current year. As the terms of the agreement does not contain a redemption date or an option for the holder to redeem, it is considered as an equity instrument.

**19. Related party disclosures**

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

**Amounts outstanding with other related parties at 31 December are as follows:**

Amounts due from group companies £43,142 (2019: £30,812)

Amounts due to group companies £20,704,395 (2019: £12,944,302)

Amount due to related parties (EDF) £3,386,463 (2019: £1,459,702)

**20. Ultimate controlling party**

The immediate parent company is Bradwell Power Holding Company Ltd, a company incorporated in the United Kingdom and registered in England and Wales. General Nuclear International Ltd is the parent undertaking of the smallest group which includes the Company and for which group financial statements are prepared. General Nuclear International Ltd is incorporated in the United Kingdom and registered in England and Wales. The ultimate parent company and controlling entity is China General Nuclear Power Corporation Ltd (CGN), a company incorporated and registered in China. CGN is the parent undertaking of the largest group which includes the Company and for which group financial statements are prepared.

The financial statements of General Nuclear International Ltd may be obtained from 5th Floor, Rex House, 4-12 Lower Regent Street, London SW1Y4PE. The financial statements of the ultimate parent company may be obtained from CGN building, No.2002, Shennan Rd, Shenzhen, 518035, P.R. China.