

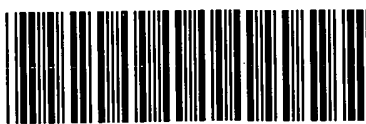
EDF ENERGY NUCLEAR GENERATION GROUP LIMITED

REGISTERED NUMBER: SC 270184

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

MONDAY



L59JDJI0

LD2

20/06/2016

#104

COMPANIES HOUSE

EDF ENERGY NUCLEAR GENERATION GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

CONTENTS

Strategic Report	1 to 3
Directors' Report	4 to 5
Directors' Responsibility Statement	6
Independent Auditor's Report to the Members of EDF Energy Nuclear Generation Group Limited	7 to 8
Income Statement	9
Balance Sheet	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12 to 21

Directors

Humphrey Cadoux-Hudson
Stuart Crooks
Vincent Mark Hanafin
Serge Massart
Philippe Victor Paul Huet
Jean-Michel Quilichini
Vincent de Rivaz
Tilman Steinhagen
Robert Guyler

Company secretary Guido Santi

Auditor Deloitte LLP
2 New Street Square
London
EC4A 3BZ

Registered office GSO Business Park
East Kilbride
London
G74 5PG

EDF ENERGY NUCLEAR GENERATION GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

STRATEGIC REPORT

The Directors present their Strategic Report for the year ended 31 December 2015.

Principal activity

The principal activity of EDF Energy Nuclear Generation Group Limited (the "Company") during the year continued to be to act as a holding company for the Company and its subsidiaries (the "Group"), which own and operate eight nuclear power stations in the United Kingdom. It will continue with this activity for the foreseeable future.

Review of the business

The loss for the year before taxation amounted to £55m (2014: £44m) and the loss after taxation amounted to £44m (2014: £35m). The change in results was due to higher intercompany interest payable, primarily as a result of marginally higher interest rates in the year applied to the cumulative funding of dividends by another Group company through amounts owed to Group undertakings.

The net assets of the Company at 31 December 2015 amount to £3,811m (2014: £4,685m). The reduction in the net assets is as a result of the losses incurred in the year and the dividend of £830m paid in the year. Whilst the Company currently has net current liabilities of £4,507m (2014: £3,632m), these liabilities are owed to other Group companies who will not recall these amounts.

The Directors monitor the operational performance of the Company within the wider Group and therefore the key Group operational key performance indicators are described below.

Output from the nuclear fleet for the year was 60.6 TWh, 4.3 TWh higher than the 56.3 TWh generated in 2014.

The increase in output is largely explained by:

- (i) lower unplanned losses in 2015 compared to 2014 (outwith Heysham 1 and Hartlepool boiler spine issues), and
 - (ii) Fewer refuelling outages in 2015 compared to 2014;
- partly offset by:
- (iii) higher losses from the boiler spine issue at Heysham 1 and Hartlepool in 2015 compared to 2014 due mainly to the programme of cooling modification installation that took place in 2015, and
 - (iv) one more statutory outage in 2015 compared to 2014.

The Group remains committed to safety and environmental excellence and has continued its efforts to embed a culture of operational safety and excellence through investment in its people and working practices.

EDF ENERGY NUCLEAR GENERATION GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

STRATEGIC REPORT (CONTINUED)

There were no nuclear reportable events during the year compared with one the previous year. The actual and potential significance of individual nuclear events is measured against the International Nuclear Event Scale ("INES"). These are categorised between Level 0, which has no safety significance and Level 7 which represents a major accident. In 2015 there were seven events rated at Level 1, which represents events that have no impact on the safety of the general public or our workforce, and none higher, up from five Level 1 events in 2014.

There were seven lost time injuries during 2015, compared with four in the previous year, however, the total number of recordable injuries (including medical treatment and restricted work injuries) fell from 16 in 2014 to 13 in 2015.

There was one environmental event during 2015, a reduction of two on the previous year.

The Group also uses a more stringent measure for monitoring injuries and environmental events in order to highlight precursors and thereby enable early action to be taken.

Principal risks and uncertainties

The future prospects of the Company are dependent on the performance of its investment in its subsidiaries. The investment in British Energy Bond Finance plc has been reviewed and the carrying value is considered to be recoverable based on the forecast performance of the British Energy Bond Finance plc group of companies.

The main financial risks faced by the Company through its normal business activities are liquidity risk and interest risk. These risks and the Company's approach to dealing with them are described below:

Liquidity risk is the risk that the proceeds from financial assets, including investments in subsidiaries, are not sufficient to fund the obligations arising from liabilities as they fall due. The Company's exposure to liquidity risk is reduced due to all current liabilities being within the Group.

Interest risk is the exposure to interest rate fluctuations on its borrowings. The Company's exposure to interest risk is reduced due to all interest being within the Group.

EDF ENERGY NUCLEAR GENERATION GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

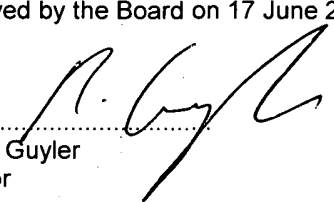
STRATEGIC REPORT (CONTINUED)

Going concern

The Company is a holding company and is dependent on the continued profitability and cash generation of its subsidiaries. Whilst the Company currently has net current liabilities of £4,507m (2014: £3,632m), these liabilities are owed to other Group companies who will not recall these amounts.

After making enquiries and reviewing cash flow forecasts and available facilities for at least the next 12 months, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. This judgement has been formed taking into account the principal risks and uncertainties that the Company faces and which have been outlined in more detail elsewhere in this report. For this reason the Directors adopt the going concern basis in preparing the financial statements.

Approved by the Board on 17 June 2016 and signed on its behalf by:


.....
Robert Guyler
Director

EDF ENERGY NUCLEAR GENERATION GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

DIRECTORS' REPORT

The Directors present their report and the financial statements for the year ended 31 December 2015.

Principal risks and uncertainties are discussed within the Strategic Report.

Directors

The Directors who held office during the year were as follows:

Humphrey Cadoux-Hudson

Stuart Crooks

Vincent Mark Hanafin

Serge Massart

Philippe Victor Paul Huet

Jean-Michel Quilichini

Vincent de Rivaz

Tilmann Steinhagen (appointed 25 September 2015)

Robert Guyler (appointed 12 March 2015)

Stephane Tortajada (resigned 29 January 2015)

Simone Rossi (resigned 23 February 2015)

No Director is employed by or had a service contract with the Company during the year. Vincent Mark Hanafin is employed by and has a service contract with Centrica plc, a minority shareholder of the Company's immediate parent company Lake Acquisitions Limited. The remaining Directors are employed by and have service contracts with associated companies within the Electricité de France SA group. No portion of their remuneration can be specifically attributed to their services to the Company.

No director (2014: none) held any interests in the shares or debentures of the Company or the Group which are required to be disclosed under the Companies Act 2006.

Dividends

Dividends of £830m were paid in the year (2014: £650m).

On 2 March 2016, the Board approved the payment of an interim dividend of 6.2p per share to be paid. The total dividend of £100m was paid on 1 April 2016.

Political donations

The Company made no political donations in the current year (2014: nil).

Future developments

The future developments of the Company are outlined 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 financial year and remain in force at the date of this report.

EDF ENERGY NUCLEAR GENERATION GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

DIRECTORS' REPORT (CONTINUED)

Disclosure of information to the auditor

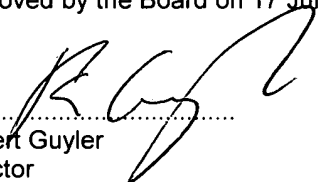
Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of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

Reappointment of auditor

Deloitte LLP were appointed as the Company's auditor during the period and expressed their willingness to continue in office.

It is further noted that in order for (a) Deloitte to be deemed to be re-appointed as the auditor to the Company for the financial year ending 31 December 2016, and for subsequent financial years, in accordance with the provisions of Section 487 (2) of the Companies Act 2006, and for (b) the Directors to be authorised to fix the remuneration of the auditor, it is necessary to obtain the approval of the members of the Company and a members shareholder written resolution has been prepared and will be circulated for approval.

Approved by the Board on 17 June 2016 and signed on its behalf by:


.....
Robert Guyler
Director

EDF ENERGY NUCLEAR GENERATION GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

DIRECTORS' RESPONSIBILITY 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.

EDF ENERGY NUCLEAR GENERATION GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDF ENERGY NUCLEAR
GENERATION GROUP LIMITED**

We have audited the financial statements of EDF Energy Nuclear Generation Group Limited for the year ended 31 December 2015, which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

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.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibility Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**EDF ENERGY NUCLEAR GENERATION GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDF ENERGY NUCLEAR
GENERATION GROUP LIMITED (CONTINUED)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

A handwritten signature in black ink, appearing to read 'Timothy Biggs', with a large circular flourish and a trailing '77'.

Timothy Biggs FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP, Statutory Auditor

2 New Street Square
London
EC4A 3BZ

17 June 2016

EDF ENERGY NUCLEAR GENERATION GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £ m	2014 £ m
Finance costs	5	<u>(55)</u>	<u>(44)</u>
Loss on ordinary activities before taxation		(55)	(44)
Taxation	7	<u>11</u>	<u>9</u>
Loss for the year		<u>(44)</u>	<u>(35)</u>

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

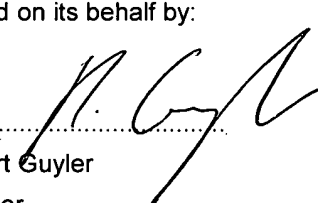
The above results were derived from continuing operations in the current period.

EDF ENERGY NUCLEAR GENERATION GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

BALANCE SHEET
AT 31 DECEMBER 2015

	Note	2015 £ m	2014 £ m
Non-current assets			
Investments in subsidiary undertakings	10	8,297	8,297
Current assets			
Current tax asset		<u>21</u>	<u>20</u>
Total assets		8,318	8,317
Current liabilities			
Other liabilities	9	<u>(4,507)</u>	<u>(3,632)</u>
Net assets		<u>3,811</u>	<u>4,685</u>
Capital and reserves			
Called up share capital	11	161	161
Share premium		65	65
Capital reserve		767	767
Profit and loss account		<u>2,818</u>	<u>3,692</u>
Shareholders' funds		<u>3,811</u>	<u>4,685</u>

The financial statements of EDF Energy Nuclear Generation Group Limited (registered number SC 270184) on pages 9 to 21 were approved by the Board and authorised for issue on 17 June 2016 and signed on its behalf by:



 Robert Guyler
 Director

EDF ENERGY NUCLEAR GENERATION GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Share capital	Share premium	Capital reserve	Retained earnings	Total
	£m	£m	£m	£m	£m
At 1 January 2014	161	65	767	4,377	5,370
Loss for the year	-	-	-	(35)	(35)
Dividends	-	-	-	(650)	(650)
At 31 December 2014	161	65	767	3,692	4,685
At 1 January 2015	161	65	767	3,692	4,685
Loss for the year	-	-	-	(44)	(44)
Dividends	-	-	-	(830)	(830)
At 31 December 2015	161	65	767	2,818	3,811

EDF ENERGY NUCLEAR GENERATION GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

NOTES TO THE FINANCIAL STATEMENTS

1 General information

General information

EDF Energy Nuclear Generation Group Limited is a company incorporated in the United Kingdom under the Companies Act. It is resident in the United Kingdom for tax purposes.

Basis of preparation

The Company meets the definition of a qualifying entity under Financial Reporting Standard (FRS 101) Reduced Disclosure Framework and transitioned from previously extant UK GAAP to Financial Reporting Standard 101 Reduced Disclosure Framework for all periods presented. Transition reconciliations showing all material adjustments are disclosed in note 15. The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2015.

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 all the years 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.

Summary of disclosure exemptions

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

- a) The requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64 (o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- b) the requirements of IFRS 7 Financial Instruments: Disclosures;
- c) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- d) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
- e) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- f) the requirements of IAS 7 Statement of Cash Flows;
- g) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;

EDF ENERGY NUCLEAR GENERATION GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 Accounting policies (continued)

- h) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- i) 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; and
- j) 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.

Where relevant, equivalent disclosures have been given in the group accounts of EDF Energy Group Holdings Limited, which are available to the public as set out in Note 14.

Going concern

As set out in the Strategic Report, after making enquiries, the Directors' have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Exemption from preparing group accounts

The financial statements contain information about EDF Energy Nuclear Generation Group Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of EDF Energy Holdings Limited, a company incorporated in United Kingdom.

Finance costs

Finance charges are accounted for on an accruals basis in the Income Statement based upon contracted rates.

EDF ENERGY NUCLEAR GENERATION GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

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.

EDF ENERGY NUCLEAR GENERATION GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 Accounting policies (continued)

Investments

Fixed asset investments are shown at cost less any provision for impairment. Current assets investments are stated at the lower of cost and net realisable value.

Impairment of non-financial assets

At each balance sheet date, the Company reviews the carrying amounts of its non-financial 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 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. 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 or 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 had no impairment loss been recognised for the asset (or cash-generating unit).

Other financial liabilities

Other financial liabilities include borrowings and trade and other payables and are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or (where appropriate) a shorter period, to the net carrying amount on initial recognition). Other financial liabilities relate to balances with other Group companies.

3 Critical accounting judgements and key sources of estimation uncertainty

Recoverability of investments

The Company reviews the recoverability of investments on an annual basis where there is an indicator of impairment. The impairment review involves a number of assumptions including discount rates, output values, asset lives and forward power prices.

4 Operating profit

In the current period, an amount of £15,000 (2014: £51,379) was paid to Deloitte LLP for audit services. This charge was borne by another group company in both the current and prior year. In the current period amounts payable to Deloitte LLP by the Company in respect of non-audit services were £nil (2014: £nil).

The Company had no employees in the year ended 31 December 2015 (2014: None).

EDF ENERGY NUCLEAR GENERATION GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Finance costs

	2015	2014
	£ m	£ m
Interest payable on loans from other Group companies	<u>55</u>	<u>44</u>

6 Directors' remuneration

All Directors are employees of associated EDF companies or Centrica plc.

The Directors did not receive any remuneration from the Company for their services during the year or preceding year. Vincent de Rivaz, Robert Guyler and Stuart Crooks were paid by associated EDF companies for services to the EDF Energy (UK) Limited group. Vincent de Rivaz and Robert Guyler's emoluments are included in EDF Energy Holdings Limited's financial statements for the year ended 31 December 2015. Stuart Crook's emoluments are included in EDF Energy Nuclear Generation Limited's financial statements for the year ended 31 December 2015. Vincent Mark Hanafin is paid by Centrica plc for his services and his emoluments are included in Centrica plc's Annual Report and Accounts for the year ended 31 December 2015. Humphrey Cadoux-Hudson, Serge Massart, Philippe Victor Paul Huet, Jean-Michel Quilichini and Tilmann Steinhagen are employed by and have service contracts with associated companies within the Electricité de France SA group.

No Director (2014: none) held any interests in the shares or debentures of the Company or the Group required to be disclosed under the Companies Act 2006.

EDF ENERGY NUCLEAR GENERATION GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Tax on loss on continuing ordinary activities

(a) Analysis of tax credit in the year

	2015 £ m	2014 £ m
Current tax		
UK corporation tax	11	9
Total current tax credit for the year	11	9
Income tax credit reported in the profit and loss account	11	9

(b) The tax on loss before tax for the year is equal to (2014: equal to) the standard rate of corporation tax in the UK of 20.25% of (2014: 21.50%).

The credit for the year can be reconciled to the profit and loss account as follows:

	2015 £ m	2014 £ m
Profit before tax	55	44
Tax at the UK corporation tax rate of 20.25% (2014: 21.50%)	11	9
Income tax credit reported in the profit and loss account	11	9

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

Changes to the main rate of corporation tax were announced in Finance Act 2013. These comprised a reduction in the main rate of corporation tax for the financial year beginning 1 April 2014 from 23% to 21% and a further reduction for the financial year beginning 1 April 2015 from 21% to 20%.

Further changes to the main rate of corporation tax were announced in Finance 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%.

In the March 2016 Budget, the Government announced a reduction in the main rate of corporation tax for the financial year beginning 1 April 2020 to 17%. This reduction was not substantively enacted at the balance sheet date and so is not reflected in these financial statements.

EDF ENERGY NUCLEAR GENERATION GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Dividends

	2015	2014
	£m	£m
Dividend paid	<u>830</u>	<u>650</u>

Dividends per share for the period was 51.6p (2014: 40.4p).

9 Other liabilities

	2015	2014
	£ m	£ m
Amounts owed to other Group companies	<u>4,507</u>	<u>3,632</u>

Amounts owed to British Energy Bond Finance plc are repayable on demand and accrue interest at 3 month LIBOR plus 0.8% in both the current and prior year.

10 Investment in subsidiary undertakings

£ m

Cost and book value

At 1 January 2015 and 31 December 2015	<u>8,297</u>
--	--------------

The subsidiary undertakings at 31 December 2015, which are incorporated in the United Kingdom and are registered and operate in England and Wales, or Scotland (unless otherwise stated), are as follows:

Name of subsidiary	Principal activity	Proportion of ownership interest and voting rights held	
		%	%
British Energy Bond Finance plc	Financial activities	100%	100%
British Energy Finance Limited*	Financial activities	100%	100%
British Energy Generation (UK) Limited*	Holding company	100%	100%
British Energy Holdings Limited (Canada)*	Holding company	100%	100%
British Energy International Holdings Limited *	Holding company	100%	100%
British Energy Investment Limited*	Investment company	100%	100%
British Energy Limited *	Holding company	100%	100%
British Energy Renewables Limited*	Investment company	100%	100%

EDF ENERGY NUCLEAR GENERATION GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 Investment in subsidiary undertakings (continued)

British Energy Trading and Sales Limited*	Sale of Electricity	100%	100%
British Energy Trading Services Limited*	Sale of Electricity	100%	100%
British Energy Technical Services Limited*	Holding company	100%	100%
EDF Energy Nuclear Generation Limited*	Power Generation	100%	100%
Eggborough Power (Holdings) Limited*	Holding company	100%	100%
Lochside Insurance Limited (Guernsey)*	Insurance company	100%	100%

*indirectly held

11 Share capital

Allotted, called up and fully paid shares

	No.	2015 £m	No.	2014 £m
Ordinary shares of £0.10 each	1,607,494,287	161	1,607,494,287	161
Special rights redeemable preference shares of £1 each	1	-	1	-

Special rights redeemable preference share of £1

The special share is redeemable at par at any time after 30 September 2006 at the option of the Secretary of State, after consulting the Company. This share, which may only be held by and transferred to one or more of Her Majesty's Secretaries of State, another Minister of the Crown, the Solicitor for the affairs of Her Majesty's Treasury or any other person acting on behalf of the Crown, does not carry any rights to vote at general meetings, but entitles the holder to attend and speak at such meetings. The Special Share confers no rights to participate in the capital or profits of the Company beyond its nominal value. The consent of the holder of the Special Share is required for certain matters including the alteration or removal of the provisions in the Company's Articles of Association relating to the Special Share and to the limitations on shareholdings.

In addition, consent of the holder of the Special Share is required in relation to, amongst others, certain amendments to the Articles of Association of British Energy Limited, EDF Energy Nuclear Generation Limited or British Energy Generation (UK) Limited, or a disposal by the Company of its shares in these companies. However, the holder of the Special Share will only be entitled to withhold consent to such an amendment or disposal if, in the holder's opinion, the matter in question would be contrary to the interests of national security. The Articles of Association include full details of these restrictions.

EDF ENERGY NUCLEAR GENERATION GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Contingent liabilities

The Company has given certain indemnities and guarantees in respect of its subsidiary undertakings. No losses are anticipated to arise under these indemnities and guarantees, provided relevant subsidiary undertakings continue on a going concern basis.

The Company has given a guarantee and indemnity to the Secretary of State for Business, Innovation and Skills and the Nuclear Liabilities Fund along with a number of other Group companies in respect of their compliance with, among other agreements, the Nuclear Liabilities Funding Agreement.

The Company has provided a debenture comprising fixed and floating charges to the Secretary of State for Business, Innovation and Skills and the Nuclear Liabilities Fund along with a number of other Group companies in respect of any decommissioning default payment.

13 Related party transactions

The Company has taken advantage of the exemption in FRS 101 "Related Party Disclosure" from disclosing transactions with other members of the group.

14 Parent undertaking and controlling party

Lake Acquisitions 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 40 Grosvenor Place, Victoria, London, SW1X 7EN.

At 31 December 2015, Electricité 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 Electricite de France SA, 22-30 Avenue de Wagram, 75382, Paris, Cedex 08, France.

EDF ENERGY NUCLEAR GENERATION GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Transition to FRS 101

For all periods up to and including the year ended 31 December 2014, the Company prepared and presented its financial statements in accordance with previously extant United Kingdom generally accepted accounting practice (UK GAAP). These financial statements, for the year ended 31 December 2015, are the first the Company has prepared in accordance with FRS 101.

Accordingly, the Company has prepared individual financial statements which comply with FRS 101 applicable for periods beginning on or after 1 January 2014 and the significant accounting policies meeting those requirements are described in the relevant notes.

In preparing these financial statements, the Company has started from an opening balance sheet as at 1 January 2014, the Company's date of transition to FRS 101, and made those changes in accounting policies and other restatements required for the first-time adoption of FRS 101. There was no impact on the opening balance sheet as a result of the transition to FRS 101.

On transition to FRS 101, the company has applied the requirements of paragraphs 6-33 of IFRS 1 "First time adoption of International Financial Reporting Standards".