

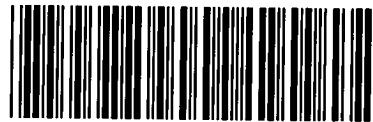
# EP UK Investments Limited

## Annual Report and Financial Statements

For the 12 months ended 31 December 2017

Registered Number - 09255154

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COMPANIES HOUSE

**Directors**

Tarloke Singh Bains

Pavel Horský

Daniel Křetínský

Jan Špringl

Marek Spurný

**Company Secretary**

John Marcus Nettleton

**Registered office**

Berger House

36-38 Berkley Square

London

W1J 5AE

**Independent Auditor**

KPMG LLP

1 Sovereign Square

Sovereign Street Leeds

West Yorkshire

LS1 4DA

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# EP UK Investments Limited Annual Report and Financial Statements 12 months ended 31 December 2017

## Strategic Report

The directors present their Strategic Report on the Company for the year ended 31 December 2017.

### Principal activities

EP UK Investments Limited ("EPUKI") is a limited liability company incorporated and domiciled in England and Wales. The Company's principal activity is the holding of investments and the provision of commodity trading services for subsidiary companies.

The Company is a subsidiary undertaking of EP Investment S.a.r.l. which is the ultimate parent company, incorporated in Luxembourg.

The largest group in which the results of the Company are consolidated is that headed by Energetický a průmyslový holding, a.s. "the Group".

### Results

The loss for the financial year amounted to £5.4m (2016 £44.7m loss).

### Review of the business

The Company continued to hold investments in UK based power stations at Eggborough, East Yorkshire and Lynemouth, Northumberland.

During July 2017, the planned dissolution of the subsidiary Eggborough Holdco 2 S.à r.l, was completed. This company was an intermediate holding company, which owned the share capital of Eggborough Power Limited. As a result, the share capital of Eggborough Power Limited is now directly owned by EP UK Investments Limited.

On 31 August 2017, the Company completed the acquisition of two operating companies from Centrica plc. These two companies respectively own and operate Langage and South Humber Bank combined cycle gas-fired power stations. Their combined capacity is 2.3GW.

During November 2017, the company completed the acquisition of RVA Group Ltd, a specialist decommissioning, decontamination, dismantling and demolition consultancy.

In February 2018, subsidiary company Eggborough Power Limited ("EPL") participated in National Grid's capacity auction for delivery of power capacity in the winter of 2018/19. Due to the relatively low clearing price, EPL could not secure a commercial rate of return and withdrew from the auction. EPL permanently ceased generation at the end of March 2018 and has commenced decommissioning. EPUKI had previously reduced the carrying value of its investment in EPL to nil and consequently there is no further provision to report.

EPUKI is now the nominated commodity trading business for its subsidiary stations and holds external commodity (power, gas etc) contracts whilst earning a trading commission for this service.

The financial position of the Company is shown on the statement of financial position on page 9.

### Key performance indicators

Key performance indicators are reported to the Company's owner Energetický a průmyslový holding, a.s. which reports key performance indicators in its Consolidated Annual Report and Financial Statements.

### Principal risks and uncertainties

The principal risks and uncertainties impacting on the Company are discussed in the context of Energetický a průmyslový holding, a.s. "the Group", as a whole in its Consolidated Annual Report and Financial Statements. These risks are managed on a group-wide basis.

**EP UK Investments Limited Annual Report and Financial Statements 12 months ended 31  
December 2017**

**Going Concern**

The Directors believe that the Going Concern basis is appropriately applied within these Financial Statements. A letter of support has been provided by the Company's intermediate parent, Energetický a průmyslový holding, a.s. ("EPH"), which confirms their commitment to ensuring that EP UK Investments has enough funds to continue its operations.

**On behalf of the Board**

A handwritten signature in black ink, appearing to read 'Tarloke Singh Bains', written in a cursive style.

Tarloke Singh Bains  
Director, September 2018

# EP UK Investments Limited Annual Report and Financial Statements 12 months ended 31 December 2017

## Directors' Report

The directors present their report and the audited financial statements for the year ended 31 December 2017.

### Future developments

The Company continues to provide commodity trading for its subsidiaries and evaluates investment opportunities in the UK power market.

### Directors

The current directors of the Company are listed on page 1.

The directors, who served during the year and at the date of this report, unless otherwise stated, were as follows:

Tarloke Singh Bains  
Pavel Horský  
Daniel Křetínský  
Andrew Neil O'Hara (resigned 21 June 2017)  
Jan Špringl  
Marek Spurný

### Dividends

No dividend is proposed (2016: nil).

### Political and Charitable Donations

There were no political or charitable donations in the year (2016: nil).

### Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

The directors are responsible for preparing the Strategic Report, 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.

**EP UK Investments Limited Annual Report and Financial Statements 12 months ended 31 December 2017**

**Directors' Report (continued)**

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.

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

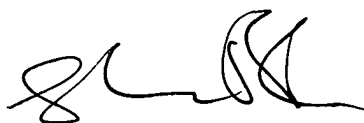
The directors who were members of the Board at the time of approving this report are listed on page 4. Having made enquires of fellow directors; each of these directors confirms that:

- to the best of each directors' knowledge and belief, there is no relevant information of which the Company's auditor is unaware, and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware if that information.

**Independent auditor**

The auditors, KPMG LLP, have indicated their willingness to continue in office.

**On behalf of the Board**



Tarloke Singh Bains

Director

September 2018

## **Independent auditors report to the members of EP UK Investments Limited**

### **Opinion**

We have audited the financial statements of EP UK Investments Limited ("the company") for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, Statement of Financial Position, and Statement of Changes in Equity and related notes, including the accounting policies (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 2017 and of its loss 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.

### **Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

### **Strategic report and directors' report**

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

Our responsibility is to read the strategic report and 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 strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **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.



## Independent auditors report to the members of EP UK Investments Limited (continued)

We have nothing to report in these respects.

### Directors' responsibilities

As explained more fully in their statement set out on pages 4 - 5, 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.

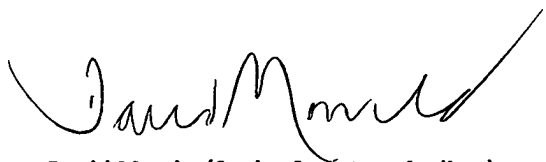
### Auditor's responsibilities

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.



**David Morrill (Senior Statutory Auditor)**

**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

1 Sovereign Square

Sovereign Street

Leeds

LS1 4DA

*DM* September 2018

**EP UK Investments Limited**  
**Statement of Comprehensive Income**  
**For the year ended 31 December 2017**

		2017	2016
	Note	£000	£000
<b>Continuing operations</b>			
Revenue	3	3,469	-
Cost of sales		(569)	-
<b>Gross Margin</b>		<b>2,900</b>	<b>-</b>
Administrative expenses	4	(7,962)	(878)
Other gain/(losses) net	5	(3,526)	8
Impairment of investment in subsidiary	6	-	(30,000)
<b>Operating Loss</b>		<b>(8,588)</b>	<b>(30,870)</b>
<b>Financing</b>			
Other interest receivable and similar income	7	3,297	1092
Interest payable and similar charges	8	(832)	(14,941)
<b>Loss before income tax</b>		<b>(6,123)</b>	<b>(44,719)</b>
Taxation	9	724	-
<b>Loss and total comprehensive loss for the period</b>		<b>(5,399)</b>	<b>(44,719)</b>
<b>Attributable to;</b>			
- Owners of the parent		(5,399)	(44,719)
<b>Total comprehensive loss for the period</b>		<b>(5,399)</b>	<b>(44,719)</b>

The results have been wholly derived from continuing operations.

The Company had no recognised gains or losses other than the results for the financial year reported above.

The notes on pages 11 to 20 form part of these financial statements.

**EP UK Investments Limited**  
**Statement of Financial Position**  
**As at 31 December 2017**

		2017	2016
	Note	£000	£000
<b>Non-current assets</b>			
Investments in subsidiaries	10	122,396	38,600
Intangible assets	11	2,545	150
		<b>124,941</b>	<b>38,750</b>
<b>Current assets</b>			
Amounts due from other Group companies - (including £238.5m (2016: £26k) due after more than one year)	12	255,299	83,505
Trade receivables and other debtors	13	109,296	-
Deferred tax asset	14	811	-
Cash at bank and in hand	15	8,535	57
		<b>373,941</b>	<b>83,562</b>
<b>Current Liabilities</b>			
Amounts due to other Group companies	16	(384,340)	(82,189)
Trade payables and other payables	17	(87,786)	(205)
Deferred tax liability	18	(87)	-
		<b>(472,213)</b>	<b>(82,394)</b>
<b>Net current (liabilities)/assets</b>		<b>(98,272)</b>	<b>1,168</b>
<b>Non-current liabilities</b>			
Amounts due to other Group companies	19	-	(8,200)
Amounts due to other creditors	20	(1,283)	-
		<b>(1,283)</b>	<b>(8,200)</b>
<b>Net assets / (liabilities)</b>		<b>25,386</b>	<b>31,718</b>
<b>Shareholders' equity</b>			
<b>Equity attributable to the owners of the parent</b>			
Called-up share capital	21	-	-
Capital redemption reserve	22	112,860	113,793
Profit and loss account		(87,474)	(82,075)
<b>Shareholders' funds</b>		<b>25,386</b>	<b>31,718</b>

The notes on pages 11 to 20 form part of these financial statements.

The financial statements on pages 8 to 20 were approved by the Board of Directors on September 2018 and were signed on its behalf by:



Tarloke Singh Bains  
 Director

Company number: 09255154

**EP UK Investments Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2017**

	Note	Called-up share capital £000	Capital contribution reserve £000	Profit and loss account £000	Total equity £000
<b>At 1 January 2017</b>		-	<b>113,793</b>	<b>(82,075)</b>	<b>31,718</b>
FV adjustment on Group loan		-	(933)	-	(933)
Loss and total comprehensive loss for the financial year		-	-	(5,399)	(5,399)
<b>At 31 December 2017</b>		-	<b>112,860</b>	<b>(87,474)</b>	<b>25,386</b>

The Company has £1 ordinary share capital that is made up of 100 ordinary shares of £0.01 each.

£933k has been released from the Capital Contribution reserve. This reverses the residual (unrealised) reserves value of fair value interest adjustments, which were previously raised in respect of a nil interest parental loan. The loan was repaid before the end of its term during 2017.

The notes on pages 11 to 20 form part of these financial statements.

**EP UK Investments Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2017**

**1. General information**

EP UK Investments Limited is a limited liability company incorporated and domiciled in England. The Company's principal activity is the holding of investments and the provision of commodity trading services for subsidiary companies.

**2. Summary of significant accounting policies**

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

**2.1 Basis of preparation**

The financial statements of the Company have been prepared in accordance with United Kingdom Accounting Standards – in particular FRS 101 – and the Companies Act 2006 ("the Act"). FRS 101 sets out reduced framework for a "qualifying entity", as defined in the standard, which addressed the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted International Financial Reporting Standards ("IFRS").

The Company is a qualifying entity for the purposes of FRS 101. Note 25 gives the details of the Company's ultimate parent and from where consolidated financial statements prepared in accordance with IFRS may be obtained.

The application of FRS 101 has enabled the Company to take advantage of certain disclosure exemptions that would only be required if the Company adopted International Financial Reporting standards in full. The only such exemptions that the directors consider to be significant are:

- no detailed disclosure in relation to financial instruments;
- no cash flow statement;
- no comparative period reconciliations of tangible fixed assets and intangible assets;
- no disclosure of related party transactions with fellow 100% subsidiaries of Energetický a průmyslový holding, a.s.;
- no disclosures relating to the Company's policy on capital management;
- the effects of new but not yet effective IFRSs;
- disclosures in respect of the compensation of Key Management Personnel.

The Company's shareholders do not object to the disclosure exemptions used by the Company in these financial statements.

The financial statements are presented in Pounds Sterling (GBP) and all values are rounded to the nearest thousand Pounds Sterling (GBP) except where otherwise indicated.

The Company's business activities, together with the factors likely to affect its future, are set out in the Directors report. The financial position of the Company is shown in the statement of financial position on page 9.

The Company's objectives, policies and processes for managing its financial risks are dealt with on a Group-wide basis.

**EP UK Investments Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2017**

**Summary of significant accounting policies (continued)**

**2.2 Functional and reporting currency**

a) Functional and presentational currency

The financial statements are presented in Pounds Sterling which is the functional currency of the Company.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation from year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss with 'finance income and costs'. All other foreign exchange gains and losses are presented in the income statement within 'Other (losses) net'.

**2.3 Cash flows**

The Company has taken advantage of the exemption available with FRS 101 from publishing a cash flow statement.

**2.4 Investment in subsidiaries and joint venture**

Investments are measured initially at cost, less any provisions for impairment. As permitted by Section 400 of the Companies Act 2006, the Company does not prepare consolidated financial statements because it is wholly owned subsidiary of Energetický a průmyslový holding, a.s., which prepares consolidated financial statements (see note 9).

**2.5 Trade payables**

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

**2.6 Interest-bearing loans**

All interest-bearing loans are initially recognised at the fair value of the consideration received less directly attributable transactions costs. After initial recognition at fair value, loans are held at amortised cost. Borrowing costs are expensed through the profit and loss account.

Loans from parent undertakings with terms that are different to arms-length market rates are also reported at fair value, with appropriate adjustment recognised and released over the term of the loan (unless considered to be repayable on demand).

**2.7 De-recognition of financial assets and liabilities**

a) Financial assets:

A financial asset (or where appropriate a part of a financial asset) is de-recognised where the rights to receive cash flows from the asset have expired.

b) Financial liabilities:

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expired.

**EP UK Investments Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2017**

**Summary of significant accounting policies (continued)**

**2.8 Deferred taxation**

Deferred tax assets are recognised only to the extent that it is probable that a future taxable profit will be available against which deductible temporary differences, carried forward tax credits or tax losses can be utilised. Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the asset is realised or the liability is settled, based tax rates and tax laws enacted or substantively enacted at the balance sheet date.

**2.9 Intangible assets**

Intangible assets are measured initially at cost including direct attributable costs. The estimated useful lives are as follows:

- *Software* *2-4 years*

**2.10 Receivables**

Receivables are initially recognised at fair value and subsequently at amortised cost. Receivables are disclosed in accordance with their maturity as current or non-current in the statement of financial position. Non-current receivables are due in more than one year of the balance-sheet date.

**2.11 Going Concern**

The financial statements are prepared on a going concern basis.

The Company's business activities, together with the factors likely to affect its future position, are set out in the Strategic Report and Directors' Report on pages 3 and 4. The Company has access to funds provided by its parent Company, Energetický a průmyslový holding, a.s.. The directors, having assessed the responses of the directors of that Company to their enquiries and having given consideration to forecast trading results and the available financing facilities, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of Company to continue as a going concern. On the basis of their assessment of the Company's financial position and of the enquiries made of the directors of the parent Company, the directors have a reasonable expectation that the Company will continue in operational existence for the foreseeable future.

**EP UK Investments Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2017**

**3. Revenue**

	2017	2016
	£000	£000
Commodity Trading Commissions	3,469	-

All revenue is derived from transactions with subsidiary companies.

**4. Administrative expenses**

	2017	2016
	£000	£000
Audit and non-audit fees performed by Auditor	20	7
Fees paid to the auditor in respect of tax and other services	4	-
Other legal and professional fees	1,285	463
Acquisition related expenditure	762	408
Recharge from Eggborough Power Limited	5,891	-
	7,962	878

The recharge from Eggborough Power Limited is in respect of management, trading and business development costs that were initially incurred by EPL on EPUKI's behalf.

KPMG LLP was the Company's auditor for both periods.

The Company had no employees during the year.

No remuneration was paid to; or waived by, the directors during the current period in respect of services provided by the Company.

**5. Other gain/(losses) - net**

	2017	2016
	£000	£000
Foreign exchange (loss) / gain on translation	(305)	8
Mark to market on financial contracts – gain	35,906	-
Mark to market on financial contracts – (loss)	(39,127)	-
	(3,526)	8

**6. Impairment of investment in subsidiary**

	2017	2016
	£000	£000
	-	30,000

The Company's investment in Eggborough HoldCo2 S.à.r.l was fully impaired in 2016.



EP UK Investments Limited  
Notes to the Financial Statements  
For the year ended 31 December 2017

7. Other interest receivable and similar income

	2017	2016
	£000	£000
Interest on loans to subsidiaries	3,297	1,081
Other interest received	-	11
	<b>3,297</b>	<b>1,092</b>

8. Interest payable and similar charges

	2017	2016
	£000	£000
Interest on bank loan	-	334
Interest on group loan	571	102
Other interest paid	22	-
Revaluation of Euro denominated loans	-	9,501
Fair value interest recognised on group loans	239	5,004
	<b>832</b>	<b>14,941</b>

9. Taxation

Tax on (loss) on ordinary activities

<i>UK corporation tax</i>	2017	2016
	£000	£000
Current tax on income for the period	-	-
Adjustment in respect of prior periods	-	-
Total current tax	-	-
<i>Deferred tax</i>	2017	2016
	£000	£000
Recognise deferred tax on trading losses carried forward	811	-
Short term timing differences	(87)	-
Total deferred tax credit	<b>724</b>	-

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

	2017	2016
	£000	£000
<b>Loss before Tax</b>	<b>(6,123)</b>	<b>(44,719)</b>
Tax at corporation tax rate (19.25%)/(2016: 20%)	(1,179)	(8,944)
Tax impact of Non-deductible expenses	1,266	8,944
Recognition of deferred tax asset on losses (17%)	(811)	-
<b>Tax (credit)/expense for the year</b>	<b>(724)</b>	<b>-</b>

During the year the UK corporation tax rate was changed from 20% to 19% (effective from 1 April 2017). It is expected that this rate will reduce to 17% effective from 1 April 2020.

No deferred tax asset on losses was recognised in 2016.

**EP UK Investments Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2017**

**10. Fixed asset investments**

	£000
<b>At 1 January 2017</b>	38,600
EP Langage Limited	29,284
EP SHB Limited	50,248
RVA Group Limited	4,264
<b>At 31 December 2017</b>	<b>122,396</b>

The company acquired the entire share capital of EP Langage Limited and EP SHB Limited on the 31<sup>st</sup> August 2018 from Centrica plc.

The company acquired the entire share capital of RVA Group Limited on the 17<sup>th</sup> November 2018.

Costs associated with the acquisitions have been reported in Administrative Expenses.

£1.3m of the investment in RVA Group is deferred consideration; actual payment will be triggered by future performance criteria and has been accrued as part of the assessed fair value at acquisition date.

**11. Intangible assets**

	Software £'000	Work in progress £000	Total £000
<b>Cost</b>			
Balance at 1 January 2017	-	150	150
Additions	919	1,565	2,484
Transfers	150	(150)	-
<b>Balance at 31 December 2017</b>	<b>1,069</b>	<b>1,565</b>	<b>2,634</b>
<b>Depreciation and impairment</b>			
Balance at 1 January 2017	-	-	-
Depreciation charge for the year	(89)	-	(89)
<b>Balance at 31 December 2017</b>	<b>(89)</b>	<b>-</b>	<b>(89)</b>
<b>Net book value</b>			
At 1 January 2017	-	150	150
<b>At 31 December 2017</b>	<b>980</b>	<b>1,565</b>	<b>2,545</b>

All expenditure is stated at historical cost.

Work in progress relates to software, systems upgrades and commodity trading system upgrades linked to the acquisition of CCGT stations.

**EP UK Investments Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2017**

**12. Amounts due from other group companies**

	2017	2016
	£000	£000
Group loan receivable with in 1 year	-	83,414
Intercompany receivables with in 1 year	16,790	65
Intercompany loans (1-3) due after 1 year	238,509	26
	<b>255,299</b>	<b>83,505</b>

Intercompany balances are repayable upon demand at 0% interest. Intercompany balances are reported on a net basis. The loan balances reported above include accumulated interest receivable.

**Terms and debt repayment schedule**

	Currency	Nominal interest rate	Year of maturity	Face value 31 Dec 2017	Fair value 31 Dec 2017	Face value 31 Dec 2016	Fair value 31 Dec 2016
				£000	£000	£000	£000
Group loan 1	EUR	6%	2017	-	-	26	26
Group loan 2	GBP	4%	2020	91,283	91,283	-	-
Group loan 3	GBP	4%	2020	147,226	147,226	-	-

Group loans 2 and 3 are with subsidiary companies EP Langage Limited and EP SHB Limited, respectively.

**13. Trade receivables and other debtors**

	2017	2016
	£000	£000
Trade receivables	88,689	-
Other debtors	4,558	-
Financial asset (mark to market of commodity contracts)	16,049	-
	<b>109,296</b>	<b>-</b>

**14. Deferred tax asset**

	2017	2016
	£000	£000
Deferred tax asset on trading losses carried forward	811	-

Deferred tax assets associated with losses of £4.8m have been recognised at 31 December 2017, as there is an expectation of future profits.

**15. Cash at bank and in hand**

	2017	2016
	£000	£000
Cash at bank	8,535	57

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**16. Amounts due to other group companies within one year**

	2017	2016
	£000	£000
Group loan 1 payable within 1 year	-	83,300
Group loan 2 payable within 1 year	8,967	-
Fair value interest on group loan (Gross)	-	(1,370)
Fair value charged to income statement	-	199
Intercompany payables	375,373	60
	<b>384,340</b>	<b>82,189</b>

Intercompany payables are repayable upon demand, at 0% interest. Intercompany balances are reported on a net basis.

**Terms and debt repayment schedule**

	Currency	Nominal interest rate	Year of maturity	Face value 31 Dec 2017	Fair value 31 Dec 2017	Face value 31 Dec 2016	Fair value 31 Dec 2016
				£000	£000	£000	£000
Group loan 1	GBP	0%	2017	-	-	83,300	82,129
Group loan 2	EUR	6%	2018	8,967	8,967	-	-

Group loan 1 was fully repaid in January 2017. Group loan 2 was repaid in full during 2018.

At 31 December 2017, Group financing is represented by Inter-company payables that have been advanced at nil interest and are considered to be repayable on demand, they are shown without fair value adjustment.

**17. Trade payables and other payables**

	2017	2016
	£000	£000
Trade payables	58,832	-
Other payables	10,262	205
Financial liability (mark to market of commodity contracts)	18,692	-
	<b>87,786</b>	<b>205</b>

**18. Deferred tax liability**

	2017	2016
	£000	£000
Short term timing differences	87	-

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**19. Amounts due to other Group companies – falling due after one year**

	<b>2017</b>	2016
	<b>£000</b>	£000
Group loan 1	-	8,200
	-	8,200

**Terms and debt repayment schedule**

	Currency	Nominal interest rate	Year of maturity	Face value 31 Dec 2017 £000	Fair value 31 Dec 2017 £000	Face value 31 Dec 2016 £000	Fair value 31 Dec 2016 £000
Group Loan 1	EUR	6%	2018	-	-	8,200	8,200

Group loan 1 is now shown in Note 16, as the loan is now repayable with-in one year (repaid in full in April 2018).

**20. Amounts due to other creditors**

	<b>2017</b>	2016
	<b>£000</b>	£000
Other creditor (see note 10)	<b>1,283</b>	-

**21. Called-up share capital**

	<b>2017</b>	2016
	<b>£</b>	£
Allotted and fully paid:		
100 Ordinary shares of £0.01 each	<b>1</b>	1
<b>Total</b>	<b>1</b>	1

**22. Capital redemption reserve**

	£000
<b>At 1 January 2016</b>	<b>113,793</b>
Release FV interest on Group loan	(933)
<b>At 31 December 2017</b>	<b>112,860</b>

Where loan finance is advanced by group undertakings at interest rates which are lower than market rates, the opening value of the loan is shown at a discounted fair value. The difference is posted to the Capital Contribution Reserve, an equal amount of interest is recognised over the term of the loan as interest payable.

Group financing where no loan agreement exists is reported as repayable on demand and is not subject to fair value adjustments.

**23. Related party transactions**

The Company has taken advantage of the exemptions within Financial Reporting Standard 101 not to disclose transactions and balances with EP Investment S.a.r.l. and its wholly-owned subsidiaries.

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**24. Financial risk management, objectives and policies**

The Company is funded by a number of loans from Group Companies owned by Energetický a průmyslový holding, a.s. Financials risks and management of those risks are included in the Consolidated Annual Report and Financial Statements.

**25. Immediate and Ultimate Parent Company undertakings**

The Company is a subsidiary undertaking of EP Investment S.a.r.l. which is the ultimate parent company, incorporated in Luxembourg. The ultimate controlling party is Mr. Křetínský, who is the majority shareholder.

The largest group in which the results of the Company are consolidated is that headed by Energetický a průmyslový holding, a.s., its registered office is Pařížská 26, 110 00 Prague 1, Czech Republic.

The smallest group in which the results are consolidated is that headed by EP Power Europe, a.s. its registered office is Pařížská 26, 110 00 Prague 1, Czech Republic.

EP Power Europe, a.s. is the immediate parent undertaking and owns the entire share capital of EPUKI.

The consolidated financial statements of these groups are available to the public and may be obtained from Pařížská 26, 110 00 Prague 1, Czech Republic.

**26. Subsequent events**

In February 2018, the 100% subsidiary, Eggborough Power Limited one of the company's subsidiaries was unsuccessful in securing a further Capacity Agreement with National Grid plc. A programme of decommissioning will be completed during 2018, prior to future demolition.