

EP UK Investments Limited
Annual Report and Financial Statements

For the 12 months ended 31 December 2016

Registered Number - **09255154**



EP UK Investments Limited

Directors

Tarloke Singh Bains

Pavel Horský

Daniel Křetínský

Andrew Neil O'Hara

Jan Špringl

Marek Spurný

Company Secretary

John Marcus Nettleton

Registered office

Berger House

36-38 Berkley Square

London

W1J 5AE

Independent Auditors

KPMG LLP

1 Sovereign Square

Sovereign Street Leeds

West Yorkshire

LS1 4DA

**EP UK Investments Limited
Annual Report and Financial Statements
for the 12 months ended 31 December 2016**

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The directors present their Strategic Report on the Company for the year ended 31 December 2016.

Principal activities

EP UK Investments Limited is a limited liability company incorporated and domiciled in England. The Company's principal activity is the holding of investments.

Results

The loss for the financial year amounted to £44.7m (*15 months ended 31 December 2015: £37.4m*).

Review of the business

On 5th January 2016, the Company acquired 100% of the share capital of Lynemouth Power Limited (LPL) from RWE Supply & Trading GMBH (RWE). LPL operated a hard coal power plant with a generation capacity of 420MW. LPL is being converted to run on biomass. Once converted, the power plant will generate about 2.3 TWh of low-carbon electricity per year.

The loss for the year includes £30m impairment of Eggborough HoldCo2 S.à.r.l, a subsidiary undertaking which owns Eggborough Power Station. The reported impairment reflects the outlook for margins earned from coal powered generation in the UK due to both commodity price movements and Carbon Price Support.

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

During September 2017, EP UK Investments Limited acquired the share capital of each of the companies that respectively own and operate Langage and South Humber Bank combined cycle gas-fired power stations. These two plants have a combined capacity of 2.3GW.

The financial position of the Company is shown on the statement of financial position on page 10.

Key performance indicators

EP UK Investments Limited is a holding company. Key performance indicators are reported to the company's ultimate owner Energetický a průmyslový holding, a.s. which reports key performance indicators in its Consolidated Report and Annual Statements.

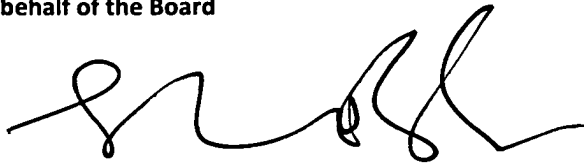
Principal risks and uncertainties

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 Report and Annual Statements. These risks are managed on a group-wide basis.

Going Concern

The Directors believe that the Going Concern basis is appropriately applied within these Financial Statements. The Company's ultimate owner Energetický a průmyslový holding, a.s. (EPH) has provided a 'Letter of Support' 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 'T. Bains', written in a cursive style.

Tarloke Singh Bains
Director
25 September 2017

The directors present their report and the audited financial statements for the year ended 31 December 2016.

Future developments

The directors continue to evaluate energy sector related opportunities within the UK.

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	(appointed 26 July 2016)
Pavel Horský	
Daniel Křetínský	(appointed 26 July 2016)
Andrew Neil O'Hara	(appointed 26 July 2016)
Jan Špringl	
Marek Spurný	

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable laws and regulations.

Company law requires directors to prepare financial statements for each year. Under the law the directors have elected to prepare financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accounting Practice), including Financial Reporting Standard, Reduced Disclosure Framework ("FRS 101").

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 and loss of the Company for the 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 United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in preparation of financial statements, and
- prepare the financial statements on the going concern 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 asset of the Company and hence for taking reasonable steps for the prevention and detection of fraud and any 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 1. 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 auditors are 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 auditors are aware if that information.

Independent auditors

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

On behalf of the Board

A handwritten signature in black ink, appearing to read 'T. Bains', written over a horizontal line.

Tarloke Singh Bains
Director
25 September 2017

Independent auditors report to the members of EP UK Investments Limited

Independent auditor's report to the members of EP UK Investments Limited

We have audited the financial statements of EP UK Investments Limited for the year ended 31 December 2016 set out on pages 9 to 22. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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' Responsibilities Statement set out on page 5, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on 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 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports 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

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

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



David Morrill (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 Sovereign Square, Sovereign Street, Leeds, LS1 4DA

26 September 2017

EP UK Investments Limited
Statement of Comprehensive Income
For the 12 months ended 31 December 2016

		12 months ended 31Dec 2016	15 months ended 31 Dec 2015
	Note	£000	£000
Continuing operations			
Administrative expenses	3	(878)	(9)
Other gain/(losses) net	4	8	(1,616)
Impairment of investment in subsidiary	5	(30,000)	(33,999)
Operating Loss		(30,870)	(35,624)
Financing			
Other interest receivable and similar income	6	1,092	3,352
Interest payable and similar charges	7	(14,941)	(5,084)
Loss before income tax		(44,719)	(37,356)
Taxation	8	-	-
Loss and total comprehensive income for the period		(44,719)	(37,356)
Attributable to;			
- Owners of the parent		(44,719)	(37,356)
Total comprehensive loss for the period		(44,719)	(37,356)

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 12 to 22 form part of these financial statements.

EP UK Investments Limited
Statement of Financial Position
For the 12 months ended 31 December 2016

	Note	31 Dec 2016 £000	31Dec 2015 £000
Non-current assets			
Investments in subsidiaries	9	38,600	30,000
Property, Plant and Equipment	10	150	-
		38,750	30,000
Current assets			
Amounts due from other Group companies	11	83,479	-
Cash at bank and in hand	12	57	44
		83,536	44
Current Liabilities			
Amounts due to other Group companies	13	(82,189)	-
Trade and other payables	14	(205)	(8)
		(82,394)	(8)
Non-current assets			
Amounts due from other Group companies	15	26	-
		26	-
Non-current liabilities			
Amounts due to other Group companies	16	(8,200)	(57,342)
		(8,200)	(57,342)
Net assets / (liabilities)		31,718	(27,306)
Shareholders' equity			
Equity attributable to the owners of the parent			
Called-up share capital	17	-	-
Capital redemption reserve	18	113,793	10,050
Profit and loss account		(82,075)	(37,356)
Shareholders' funds		31,718	(27,306)

The notes on pages 12 to 22 form part of these financial statements.

The financial statements on pages 9 to 22 were approved by the Board of Directors on 25 September 2017 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 12 months ended 31 December 2016

	Note	Called-up share capital £000	Capital contribution reserve £000	Profit and loss account £000	Total equity £000
At 1 October 2014		-		-	-
Issue of shares	17	-	-	-	-
FV of interest on Group € EUR loan		-	10,050	-	10,050
Loss and total comprehensive loss for the financial period		-	-	(37,356)	(37,356)
At 1 January 2015		-	10,050	(37,356)	(27,306)
FV of interest on Group loan		-	1,370	-	1,370
FV adjustment on Group loan		-	(4,737)	-	(4,737)
Capitalisation of Group loans	18	-	107,110	-	107,110
Loss and total comprehensive loss for the financial year		-	-	(44,719)	(44,719)
At 31 December 2016		-	113,793	(82,075)	31,718

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

The notes on pages 12 to 22 form part of these financial statements.

EP UK Investments Limited
Notes to the Financial Statements
For the 12 months ended 31 December 2016

1. General information

EP UK Investments Limited is a limited liability company incorporated and domiciled in England. The principal activity of the Company is holding investments.

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 21 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 cashflow statement;
- no analysis of fixed asset movements for the prior year;
- 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 financials 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.

The Company adopts a going concern basis accounting in preparing its annual financial statements, as explained in the Strategic Report.

EP UK Investments Limited
Notes to the Financial Statements
For the 12 months ended 31 December 2016

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 is a wholly owned subsidiary of Energetický a průmyslový holding, a.s. and its cash flows are included in the consolidated group cashflow statements of that company (see note 14). Consequently 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 and borrowings

All interest-bearing loans and borrowings 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.

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 12 months ended 31 December 2016

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 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.

EP UK Investments Limited
Notes to the Financial Statements
For the 12 months ended 31 December 2016

3. Administrative expenses

	12 months ended 31 Dec 2016 £000	15 months ended 31 Dec 2015 £000
Audit Fee	7	5
Other legal and professional fees	871	4
	878	9

KPMG LLP were appointed as the Company's auditor during the period. Expenditure reported in the 12 months ended 31 December 2016 relates to KPMG LLP. Expenditure reported in the prior period comparator (15 months ended 31 December 2015) relates to PricewaterhouseCoopers LLP who were the Company's auditors during this period.

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.

4. Other gain/(losses) - net

	12 months ended 31 Dec 2016 £000	15 months ended 31 Dec 2015 £000
Foreign exchange gain/ (loss) on translation	8	(184)
Net loss on currency contracts	-	(1,432)
	8	(1,616)

5. Impairment of investment in subsidiary

	12 months ended 31 Dec 2016 £000	15 months ended 31 Dec 2015 £000
	30,000	33,999

Based on Managements' best estimate of future prices and economic conditions, the Company's investment in Eggborough HoldCo2 S.à.r.l has been fully impaired in the period.

EP UK Investments Limited
Notes to the Financial Statements
For the 12 months ended 31 December 2016

6. Other interest receivable and similar income

	12 months ended 31 Dec 2016 £000	15 months ended 31 Dec 2015 £000
Interest on group loan	1,081	-
Revaluation of Euro denominated loans	-	3,352
Other interest received	11	-
	1,092	3,352

7. Interest payable and similar charges

	12 months ended 31 Dec 2016 £000	15 months ended 31 Dec 2015 £000
Interest on bank loan	334	4,411
Interest on group loan	102	165
Revaluation of Euro denominated loans	9,501	-
Fair value of interest on group loans	5,004	508
	14,941	5,084

8. Taxation

Tax on (loss) on ordinary activities

	12 months ended 31 Dec 2016 £000	15 months ended 31 Dec 2015 £000
Taxation		
Current tax		
UK corporation tax on profits for the current period	-	-

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

	12 months ended 31 Dec 2016 £000	15 months ended 31 Dec 2015 £000
Loss before Tax	(44,719)	(37,356)
Tax at corporation tax rate (20%)/(2015: 20.4%)	(8,944)	(7,621)
Tax effect of expenses not deductible in determining taxable profit	7,172	7,040
Change in unrecognised deferred tax assets	1,772	581
Tax expense for the year	-	-

EP UK Investments Limited
Notes to the Financial Statements
For the 12 months ended 31 December 2016

8. Taxation (continued)

Unrecognised tax losses

The Company has tax losses which arose in the UK of £11,708k (15 month period ended 31 December 2015: £2,849k loss) that are available indefinitely for offset against future taxable profits, subject to enacted rules on loss relief. Deferred tax assets have not been recognised in respect of these losses as there is uncertainty over the recoverability.

During the year the UK corporation tax rate was changed from 20% to 19% (effective from 1 April 2017) and to 17% (effective from 1 April 2020) was enacted in the period and has therefore been considered when calculating tax at the reporting date.

9. Fixed asset investments

The company acquired the entire share capital of Lynemouth Power Limited 5th January 2016.

The company acquired the entire share capital of Eggborough HoldCo2 S.à.r.l (the owners of Eggborough Power Limited) on the 15th January 2015.

	31 Dec 2016	31 Dec 2015
	£000	£000
Carrying amount:		
At 1 January / 1 October	30,000	-
Acquisition of Eggborough Power Limited	-	63,999
Acquisition of Lynemouth Power Limited	38,600	-
Impairment of Eggborough Power Limited	(30,000)	(33,999)
Net book value as at 31 December	38,600	30,000

The Directors have reviewed the carrying value of the investment in Eggborough HoldCo2 S.à.r.l. The reported impairment reflects the outlook for margins earned from coal powered generation in the UK due to both commodity price movements and Carbon Price Support.

EP UK Investments Limited
Notes to the Financial Statements
For the 12 months ended 31 December 2016

10. Property, plant and equipment

	Work in progress £000	Total £000
Cost		
Balance at 1 January 2016	-	-
Additions	150	150
Balance at 31 December 2016	150	150
Depreciation and impairment		
Balance at 1 January 2016	-	-
Depreciation charge for the year	-	-
Balance at 31 December 2016	-	-
Net book value		
At 1 January 2016	-	-
At 31 December 2016	150	150

All fixed asset work is work in progress at Balance Sheet date, as a result no depreciation is charged in the period.

All expenditure is stated at historical cost.

11. Amounts due from other group companies

	31 Dec 2016 £000	31 Dec 2015 £000
Group loan payable receivable with-in 1 year	83,414	-
Intercompany receivables	65	-
	83,479	-

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Face value 31 Dec 2016 £000	Fair value 31 Dec 2016 £000	Face value 31 Dec 2015 £000	Fair value 31 Dec 2015 £000
Group loan	GBP	5%	2017	83,414	83,414	-	-

12. Cash at bank and in hand

	31 Dec 2016 £000	31 Dec 2015 £000
Cash at bank	57	44

EP UK Investments Limited
Notes to the Financial Statements
For the 12 months ended 31 December 2016

13. Amounts due to other group companies

	31 Dec 2016	31 Dec 2015
	£000	£000
Group loan payable within 1 year	83,300	-
Fair value interest group loan (Gross)	(1,370)	-
Fair value released to income statement	199	-
Intercompany payables	60	-
Other accruals	82,189	-

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Face value 31 Dec 2016	Fair value 31 Dec 2016	Face value 31 Dec 2015	Fair value 31 Dec 2015
				£000	£000	£000	£000
Group loan	GBP	0%	2017	83,300	82,129	-	-

14. Trade and other payables

	31 Dec 2016	31 Dec 2015
	£000	£000
Other accruals	115	8
Capital accruals	90	-
	205	8

15. Amounts due from other group companies – falling after one year

	31 Dec 2016	31 Dec 2015
	£000	£000
1-5 years – Loans receivable		
Group loan	26	-

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Face value 31 Dec 2016	Fair value 31 Dec 2016	Face value 31 Dec 2015	Fair value 31 Dec 2015
				£000	£000	£000	£000
Group loan	EUR	6%	2018	26	26	-	-

EP UK Investments Limited
Notes to the Financial Statements
For the 12 months ended 31 December 2016

16. Amounts due to other group companies – falling due after one year

	31 Dec 2016	31 Dec 2015
	£000	£000
1-5 years – Loans payable		
Group loan 1	8,200	6,640
Group loan 2	-	60,244
Fair value interest adjustment on group loan 2	-	(10,050)
Fair value on group loan 2 released to profit and loss		508
Group loan	8,200	57,342

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Face value 31 Dec 2016	Fair value 31 Dec 2016	Face value 31 Dec 2015	Fair value 31 Dec 2015
				£000	£000	£000	£000
Group Loan.1	EUR	6%	2018	8,200	8,200	6,640	6,640
Group Loan 2	EUR	0%	2017	-	-	60,244	50,702

On the 15 December 2016, Group EUR loan 2 was capitalised. At this date, the loans carrying value (excluding fair value interest adjustment) was £68,618k.

17. Called-up share capital

	31 Dec 2016	31 Dec 2015
	£	£
Allotted and fully paid:		
100 Ordinary shares of £0.01 each	1	1
Total	1	1

18. Capital contribution reserve

	£000
At 1 October 2014	-
FV of Group loan	10,050
At 1 January 2015	10,050
Release FV interest on Group loan	(4,737)
Capitalisation of Group loan	107,110
FV of interest on Group loan (created in year)	1,370
At 31 December 2016	113,793

On the 15 December 2016, two loans from Group Companies were capitalised. The first loan, was a 0% interest Euro denominated Group loan that had a carrying value of £68,618k and the second loan was a Sterling loan (taken out in January 2016) which had a face value of £38,491k.

EP UK Investments Limited
Notes to the Financial Statements
For the 12 months ended 31 December 2016

18. Capital contribution reserve (continued)

When the 0% Euro Group loan was capitalised, the fair value interest was revised down from £10,050k to £5,313k.

On capitalisation of these loans, the other group companies have agreed to the amount on that date, and therefore they will absorb any impact from future movements in foreign exchange rates or fair value.

A fair value interest adjustment of £1,370k has been recognised on a 0% GBP Group loan. This fair value adjustment will be released (over the term of the loan) and reported in interest payable.

19. Related party transactions

Transactions and balances with fellow Energetický a průmyslový holding companies

The Company has taken advantage of the exemptions within Financial Reporting Standard 101 not to disclose transactions and balances with Energetický a průmyslový holding, a.s. and its wholly-owned subsidiaries. This is on the grounds that the Company itself is a wholly-owned subsidiary of Energetický a průmyslový holding, a.s., for which the consolidated financial statements are publicly available.

20. Financial risk management, objectives and policies

The Company is funded by a number 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.

21. Ultimate parent undertaking

The Company's ultimate controlling party is Energetický a průmyslový holding, a.s., a company incorporated in the Czech Republic. The Company's immediate parent company is EP United Kingdom s.r.o a company incorporated in the Czech Republic.

Energetický a průmyslový holding, a.s. is the only undertaking for which consolidated financial statements that include financial statements for the Company are prepared. Copies of Energetický a průmyslový holding, a.s. financial statements can be obtained from its registered office at:

Pařížská 26, 110 00 Praha 1, Czech Republic.

EP UK Investments Limited
Notes to the Financial Statements
For the 12 months ended 31 December 2016

22. Subsequent events

In February 2017, Eggborough Power Limited was awarded a Capacity Agreement by National Grid plc. Under the terms of the agreement, the company will earn a fixed income in return for making capacity available during the period October 2017 to September 2018. This fixed income is an additional payment above the market derived income that can be earned from commercial despatch of electricity over this period.

The total level of profitability of this agreement will be determined by actual commodity prices in the period of delivery. No adjustment has been made to the reported results at 31 December 2016 in respect of this agreement.

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

During September 2017, EP UK Investments Limited acquired the share capital of each of the companies that respectively own and operate Langage and South Humber Bank combined cycle gas-fired power stations. These two plants have a combined capacity of 2.3GW.