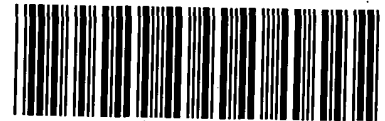


Registered number: 01506399

COFELY DISTRICT ENERGY LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

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COMPANIES HOUSE

COFELY DISTRICT ENERGY LIMITED

COMPANY INFORMATION

DIRECTORS	P Rawson R Blumberger
COMPANY SECRETARY	S Gregory
REGISTERED NUMBER	01506399
REGISTERED OFFICE	Cofely Q3 Office Quorum Business Park Benton Lane Newcastle-upon-Tyne Tyne and Wear NE12 8EX
INDEPENDENT AUDITORS	Ernst & Young LLP Citygate St James Boulevard Newcastle-upon-Tyne NE1 4JD

COFELY DISTRICT ENERGY LIMITED

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COFELY DISTRICT ENERGY LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their strategic report for the year ended 31 December 2014.

BUSINESS REVIEW

The principal activity of Cofely District Energy Limited ("the company") is the provision of heating and energy services.

Turnover for the year under review was £14,491k (2013: £16,134k) and the loss before tax for the year under review was £3,306k (2013: profit of £130k).

The year end balance sheet remains in a strong financial position with robust reserves. However, profit has been adversely affected in 2014 by some significant one-off costs.

The key objective for 2015 remains the expansion of the core activities of the company, as well as growth in the group by acquisition as opportunities arise to acquire and operate existing schemes, resulting in additional services to fellow group members.

PRINCIPAL RISKS AND UNCERTAINTIES

The identification, assessment, pursuit and management of opportunities and the associated risks is an integral part of the management and processes of the company. The company has rigorous processes in place for managing the exposure within a specified opportunities and risk management framework that applies to all activities of the company, including:

External risks

The company continuously addresses the impact of the external business environment, updating as appropriate, its strategy and medium term planning.

Strategic risks

In pursuit of business opportunities, the company is particularly aware of the potential for importing risk, whether by way of winning contracts, forming joint ventures, or acquiring businesses or investments. Rigorous processes are therefore in place for managing such exposure within a specified opportunity and risk management framework.

Organisation and management risks

The retention and recruitment of staff is a challenge faced by the company and the sector in which it operates. The company is conscious of the reliance placed on IT systems as a platform for efficient delivery of day-to-day operational activities and continues to develop and deliver further improvements.

Delivery and operational risks

In delivering contracts and business improvement initiatives, robust processes are in place for managing the potential risk exposure.

Health, safety and environmental risks

The health and safety of its employees and of the public is of the utmost importance to the company. The company has a responsible attitude to the environmental impact of the infrastructure, building, industrial development and other projects with which it is concerned. It seeks to always act in accordance with good practice, preserving and, where possible, enhancing the quality of the environment. The company's system for environmental issues continues to form a significant and integral part of their systems.

COFELY DISTRICT ENERGY LIMITED

**STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014**

FINANCIAL KEY PERFORMANCE INDICATORS

The company has participated in a review of key performance indicators relevant to the company's performance and prospects. These are as follows:

Turnover

The company's turnover for the year totals £14,491k (2013: £16,134k), a decrease of £1,643k (10%) on the previous year.

Profit before tax

The company's loss before tax for the year totals £3,306k (2013: profit of £130k), a decrease of £3,346k (2,643%) on the previous year.

Net assets

The company's net assets at the year end stand at £5,062k (2013: £7,760k), an decrease of £2,698k (34%) on the previous year. This decrease is a result of the company's loss for the financial year.

GOING CONCERN

In reviewing the future prospects of the company, the directors have considered the fact that the company is in a loss making position and that it has adequate financial support from Cofely UK Limited, which has been confirmed in writing, for the foreseeable future, whose resources are capable of meeting the company's debt should the need arise. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

This report was approved by the board on 8 January 2016 and signed on its behalf.



**R Blumberger
Director**

COFELY DISTRICT ENERGY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and the audited financial statements for the year ended 31 December 2014.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £2,698k (2013: profit £108k).

The directors do not recommend the payment of a dividend for the year ended 31 December 2014 (2013: £696,000 amounting to £1.27 per ordinary share).

DIRECTORS

The directors who served during the year and up to the date of signing the financial statements were:

M Booth (resigned 31 March 2014)
C Hale (resigned 16 December 2014)
S Woodward (resigned 30 June 2014)
P Rawson (appointed 16 December 2014)
M Smith (resigned 16 December 2014)
P Laidlaw (resigned 16 December 2014)
L Thomas (resigned 16 December 2014)
B Watts (resigned 9 September 2014)
R Blumberger (appointed 16 December 2014)

FINANCIAL RISK MANAGEMENT

The company monitors its exposure to risk on an on-going basis. The company's activities do not expose it to any material price risk, interest rate cash flow risk or foreign exchange risk. Due to the nature of the company's business and the assets and liabilities contained within the balance sheet, the financial risks the directors consider relevant to the company are credit risk and liquidity risk. The company has not used financial instruments to change its exposure to these risks.

Credit risk

Credit risk arises on the company's principal financial assets, which are cash at bank, trade and other debtors and amounts owed by group undertakings. The credit risk associated with cash is limited, as the company uses financial institutions with a high credit rating for banking requirements. All customers are credit checked prior to any sales and only customers with an appropriate credit risk history are offered credit terms. The company has no significant concentration of credit risk, with exposure spread over a large number of customers. The credit risk on amounts owed by group undertakings is not considered to be significant.

Liquidity risk

The company is exposed to liquidity risk on its financial liabilities, including trade and other creditors, amounts owed to group undertakings and accruals. In order to maintain liquidity to ensure sufficient funds are available for on-going operations and future developments, the company has access to banking facilities and loans from group companies.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

Company officers and duly appointed delegates thereof, are indemnified by the Engie global directors and officers policy ("the policy") in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. This qualifying third party indemnity provision was in force throughout the year and remains in force as at the date of approving these financial statements.

COFELY DISTRICT ENERGY LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

FUTURE DEVELOPMENTS

The directors expect there to be no changes in the future activities or prospects of the company.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the board on 8 January 2016 and signed on its behalf.



R Blumberger
Director

COFELY DISTRICT ENERGY LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014**

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 the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 judgments 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;
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COFELY DISTRICT ENERGY LIMITED

We have audited the financial statements of Cofely District Energy Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 22. 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).

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

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 and financial statements 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 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 2014 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 the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

Ernst + Young LLP

Caroline Mulley (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Newcastle upon Tyne
8 January 2016

COFELY DISTRICT ENERGY LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £000	2013 £000
TURNOVER	1,2	14,491	16,134
Cost of sales		<u>(12,931)</u>	<u>(13,733)</u>
GROSS PROFIT		1,560	2,401
Administrative expenses		(6,786)	(4,556)
Other operating income	3	<u>2,341</u>	<u>2,270</u>
OPERATING (LOSS)/PROFIT	4	(2,885)	115
Interest receivable and similar income	6	-	15
Interest payable and similar charges	7	<u>(421)</u>	<u>-</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(3,306)	130
Tax on (loss)/profit on ordinary activities	8	<u>608</u>	<u>(22)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	16	<u><u>(2,698)</u></u>	<u><u>108</u></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

There are no material differences between the (loss)/profit on ordinary activities before taxation and the (loss)/profit for the financial year stated above and their historical cost equivalents.

The notes on pages 10 to 19 form part of these financial statements.

COFELY DISTRICT ENERGY LIMITED
REGISTERED NUMBER: 01506399

BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	£000	2014 £000	£000	2013 £000
FIXED ASSETS					
Tangible assets	9		1,517		1,536
CURRENT ASSETS					
Debtors	11	27,243		25,326	
Cash at bank and in hand		1,474		504	
			<u>28,717</u>	<u>25,830</u>	
CREDITORS: amounts falling due within one year	12	(13,410)		(19,485)	
NET CURRENT ASSETS			<u>15,307</u>		<u>6,345</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>16,824</u>		<u>7,881</u>
CREDITORS: amounts falling due after more than one year	13		(11,643)		-
PROVISIONS FOR LIABILITIES					
Deferred tax	14		(119)		(121)
NET ASSETS			<u><u>5,062</u></u>		<u><u>7,760</u></u>
CAPITAL AND RESERVES					
Called up share capital	15		550		550
Capital redemption reserve	16		1,509		1,509
Profit and loss account	16		3,003		5,701
TOTAL SHAREHOLDERS' FUNDS	17		<u><u>5,062</u></u>		<u><u>7,760</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8 January 2016.


R Blumberger
 Director

The notes on pages 10 to 19 form part of these financial statements.

COFELY DISTRICT ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding year.

1.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Going concern

In reviewing the future prospects of the company, the directors have considered the fact that the company is in a loss making position and that it has adequate financial support from Cofely UK Limited, which has been confirmed in writing, for the foreseeable future, whose resources are capable of meeting the company's debt should the need arise. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

1.3 Cash flow

The company is wholly owned within the Engie group and is included in the consolidated financial statements of Engie S.A. (formerly GDF Suez S.A.), which are publicly available. Consequently the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996).

1.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, net of value added tax and trade discounts.

Connection charges in line with the Engie group accounting policies are recognised as turnover using the percentage of completion method as the connection is made. Expenditure relating to the connection is expensed as incurred to match revenue with expenses. All heating and maintenance charges are recognised in line with the accruals concept.

COFELY DISTRICT ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided at rates calculated to write off the cost of tangible fixed assets, less their estimated residual value, over their expected useful lives using the straight line basis, as follows:

Plant and machinery	-	15% per annum on a reducing balance basis
Fixtures and fittings	-	at appropriate rates varying from 15% to 33.3%
Office equipment	-	33.3%

The carrying value of tangible fixed assets is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. The carrying value is written down immediately to its recoverable amount should the carrying value be greater than the estimated recoverable amount.

1.6 Investments

Investments held as fixed assets are shown at cost less provision for impairment. The carrying value of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

1.7 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term, even if the payments are not made on such a basis.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

COFELY DISTRICT ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1. ACCOUNTING POLICIES (continued)

1.8 Taxation

Current tax, including United Kingdom corporation tax, is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the profit and loss account.

1.10 Long-term contracts

The company enters into long-term contracts when connecting new customers to the heat and electricity supply facility.

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

1.11 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents the contributions payable by the company to the fund in respect of the year.

COFELY DISTRICT ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

2. TURNOVER

All turnover arose within the United Kingdom from the company's principal activity, which is the provision of heating and energy services.

3. OTHER OPERATING INCOME

	2014 £000	2013 £000
Overhead recharges to group undertakings	-	158
Management charges receivable	2,341	2,112
	<u>2,341</u>	<u>2,270</u>

4. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging:

	2014 £000	2013 £000
Depreciation of tangible assets:		
- owned by the company	117	130
Fees payable to the company's auditors and their associates for the audit of the company's annual financial statements	32	43
Operating lease rentals:		
- plant and machinery	232	312
- other operating leases	111	132
Difference on foreign exchange	1	-
	<u>1</u>	<u>-</u>

The directors received no remuneration for their services to the company during the year (2013: £nil).

5. STAFF COSTS

Staff costs were as follows:

	2014 £000	2013 £000
Wages and salaries	3,371	2,552
Social security costs	534	288
Other pension costs	230	108
	<u>4,135</u>	<u>2,948</u>

COFELY DISTRICT ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

5. STAFF COSTS (continued)

The average monthly number of employees, including the directors, employed by the company during the year was made up as follows:

	2014 Number	2013 Number
Operations and administrative staff	<u>115</u>	<u>100</u>

6. INTEREST RECEIVABLE

	2014 £000	2013 £000
Bank interest receivable	<u>-</u>	<u>15</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £000	2013 £000
On bank loans and overdrafts	1	-
On loans from group undertakings	420	-
	<u>421</u>	<u>-</u>

8. TAXATION

	2014 £000	2013 £000
Analysis of tax (credit)/charge in the year		
Current tax (see note below)		
UK corporation tax (credit)/charge on (loss)/profit for the year	(603)	23
Adjustments in respect of prior periods	(3)	-
Total current tax	<u>(606)</u>	<u>23</u>
Deferred tax		
Origination and reversal of timing differences	(2)	17
Rate change adjustment	-	(18)
Total deferred tax (see note 14)	<u>(2)</u>	<u>(1)</u>
Tax on (loss)/profit on ordinary activities	<u>(608)</u>	<u>22</u>

COFELY DISTRICT ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

8. TAXATION (continued)

Factors affecting tax (credit)/charge for the year

The tax assessed for the year is lower than (2013: lower than) the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%). The differences are explained below:

	2014 £000	2013 £000
(Loss)/profit on ordinary activities before tax	(3,306)	130
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5%(2013: 23.25%)	(769)	30
Effects of:		
Expenses not deductible for tax purposes	164	10
Capital allowances for year in excess of depreciation	(15)	(17)
Adjustments to tax charge in respect of prior periods	(3)	-
Increase or decrease in pension fund prepayment leading to an increase (decrease) in tax	17	-
Current tax (credit)/charge for the year (see note above)	(606)	23

Factors that may affect future tax charges

The standard rate of corporation tax in the UK changed from 23% to 21% with effect from 1 April 2014. Accordingly, the company's profits for this accounting period are taxed at an effective rate of 21.5%.

The March 2013 Budget announced that the rate will further reduce to 20% by 1 April 2015, which was substantively enacted on 2 July 2013. Accordingly, a rate of 20% has been applied in the measurement of the deferred tax liability at 31 December 2014.

In the Summer Budget on 8 July 2015, the Chancellor of the Exchequer announced further reductions in the rate of corporation tax from 20% to 19% effective from 1 April 2017 and from 19% to 18% effective from 1 April 2020. As neither of these changes had been substantively enacted at the balance sheet date, the substantively enacted rate of 20% therefore applies to the deferred tax balances arising at 31 December 2014.

COFELY DISTRICT ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

9. TANGIBLE ASSETS

	Plant and machinery £000	Fixtures and fittings £000	Office equipment £000	Total £000
Cost				
At 1 January 2014	1,786	281	628	2,695
Additions	-	-	98	98
At 31 December 2014	<u>1,786</u>	<u>281</u>	<u>726</u>	<u>2,793</u>
Accumulated depreciation				
At 1 January 2014	425	196	538	1,159
Charge for the year	80	7	30	117
At 31 December 2014	<u>505</u>	<u>203</u>	<u>568</u>	<u>1,276</u>
Net book value				
At 31 December 2014	<u>1,281</u>	<u>78</u>	<u>158</u>	<u>1,517</u>
At 31 December 2013	<u>1,361</u>	<u>85</u>	<u>90</u>	<u>1,536</u>

**10. FIXED ASSET INVESTMENTS
Subsidiary undertakings**

The cost and net book value of the company's investments in subsidiary companies is £100.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Industrielle de Chauffage Enterprise United Kingdom Limited	Ordinary	100%

The company was incorporated in England and Wales to provide design engineering services.

11. DEBTORS

	2014 £000	2013 £000
Trade debtors	578	765
Amounts owed by group undertakings	22,608	21,606
Other debtors	476	1,310
Prepayments and accrued income	3,581	1,645
	<u>27,243</u>	<u>25,326</u>

COFELY DISTRICT ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

**12. CREDITORS:
Amounts falling due within one year**

	2014 £000	2013 £000
Bank loans and overdrafts	-	4
Trade creditors	1,043	37
Amounts owed to group undertakings	8,192	17,354
Group relief payable	54	661
Other taxation and social security	166	55
Other creditors	128	478
Accruals and deferred income	3,827	896
	13,410	19,485

Amounts owed to group undertakings are unsecured and interest free.

**13. CREDITORS:
Amounts falling due after more than one year**

	2014 £000	2013 £000
Amounts owed to group undertakings	11,643	-

Included within the above are amounts falling due as follows:

	2014 £000	2013 £000
Between one and two years		
Amounts owed to group undertakings	11,643	-

Included within amounts owed to group undertakings, is an intercompany balance with Engie Treasury Management S.A.R.L (formerly GDF SUEZ Treasury Management S.A.R.L) of £11,643,000 (2013: *£nil*), which is unsecured and accrues interest at an effective rate of 3.66% per annum.

14. DEFERRED TAXATION

	2014 £000	2013 £000
At beginning of year	121	122
Deferred tax credited to profit and loss	(2)	(1)
At end of year	119	121

COFELY DISTRICT ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

14. DEFERRED TAXATION (continued)

The provision for deferred taxation is made up as follows:

	2014	2013
	£000	£000
Depreciation in advance of capital allowances	135	121
Short term timing differences	(16)	-
	119	121
	119	121

15. CALLED UP SHARE CAPITAL

	2014	2013
	£000	£000
Allotted, called up and fully paid		
550,000 Ordinary shares of £1 each	550	550
	550	550
	550	550

16. RESERVES

	Capital redempt'n reserve	Profit and loss account
	£000	£000
At 1 January 2014	1,509	5,701
Loss for the financial year	-	(2,698)
	1,509	3,003
At 31 December 2014	1,509	3,003

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014	2013
	£000	£000
Opening shareholders' funds	7,760	8,348
(Loss)/profit for the financial year	(2,698)	108
Dividends (Note 18)	-	(696)
	5,062	7,760
Closing shareholders' funds	5,062	7,760

COFELY DISTRICT ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

18. DIVIDENDS

	2014 £000	2013 £000
Dividends paid of £nil per share (2013: £1.27)	-	696

19. PENSION COMMITMENTS

The cost of contributions to the defined contribution scheme amounts to £230,000 (2013: £108,000). There were outstanding contributions totalling £79,000 (2013: £nil) payable to the scheme at the year end, which are included within other creditors.

20. OPERATING LEASE COMMITMENTS

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		2014 £000	Other 2013 £000
	2014 £000	2013 £000		
Expiry date:				
Within 1 year	51	51	73	54
Between 2 and 5 years	-	-	61	134

21. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available under FRS 8, not to disclose transactions with companies which are wholly owned within the Engie group, as the company is included in the consolidated financial statements of Engie S.A. (formerly GDF Suez S.A.), which are publicly available.

22. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company of Cofely District Energy Limited is Cofely District Energy Group Limited, a company registered in England and Wales. The directors regard Engie S.A. (formerly GDF Suez S.A.) as the ultimate parent company and controlling party of Cofely District Energy Limited. Engie S.A. (formerly GDF Suez S.A.) is registered in France.

The parent undertaking of the largest group which includes the company for which consolidated financial statements are prepared is Engie S.A. (formerly GDF Suez S.A.). The parent undertaking of the smallest group to prepare consolidated financial statements, which include the company, is Engie Energy Services S.A. (formerly GDF Suez Energy Services S.A.).

Copies of the group's consolidated financial statements may be obtained from:
Engie, 16 Rue de la Ville l'Eveque, 75383 Paris, Cedex 08, France.