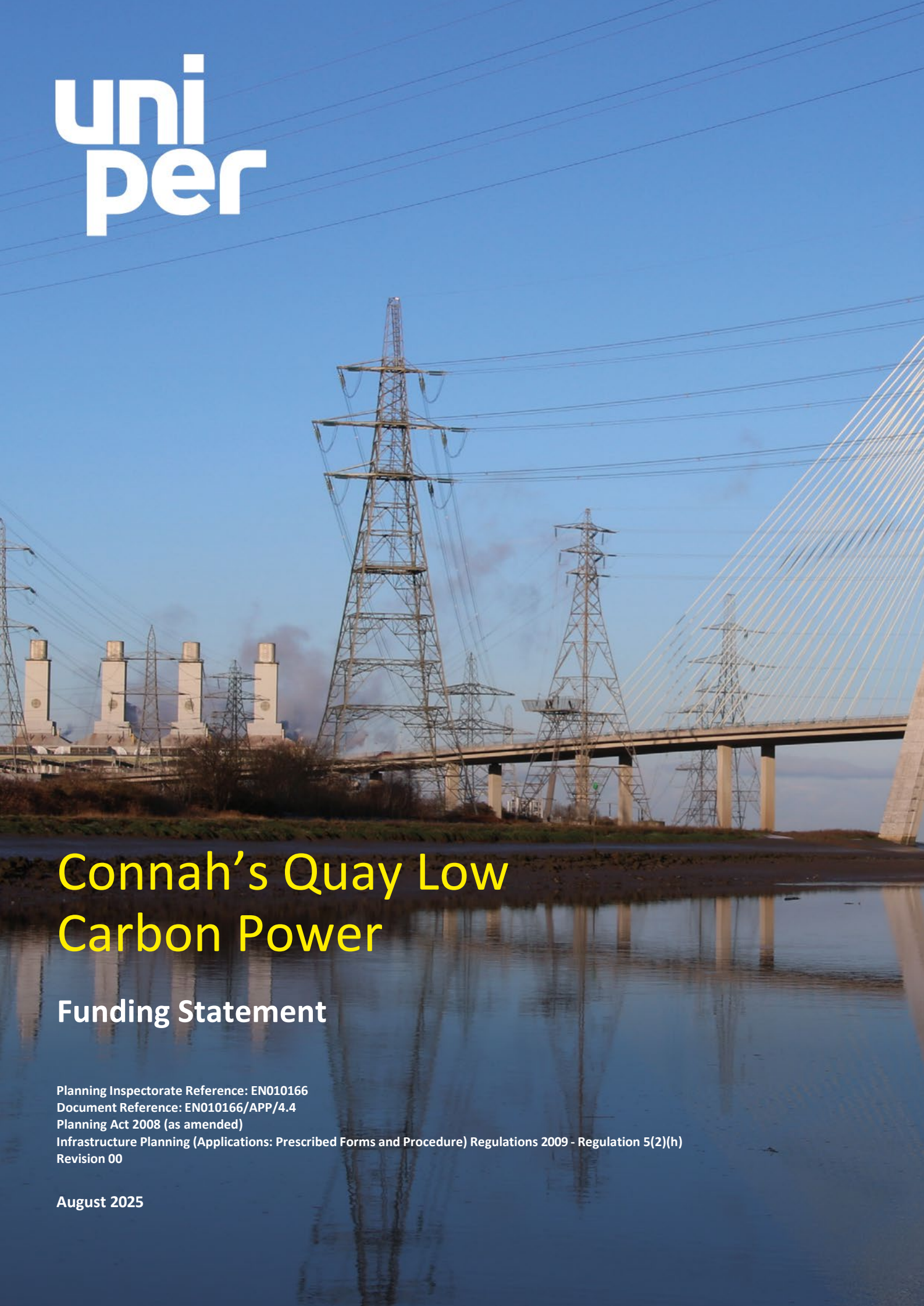

Connah's Quay Low Carbon Power

Funding Statement

Planning Inspectorate Reference: EN010166
Document Reference: EN010166/APP/4.4
Planning Act 2008 (as amended)
Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009 - Regulation 5(2)(h)
Revision 00

August 2025

Prepared for:
Uniper UK Limited

Prepared by:
AECOM Limited

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Executive Summary

1.1.1 This Funding Statement has been prepared to evidence the provision of funding to support the exercise of compulsory powers as required by Regulation 5(2)(h) The Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009.

1.1.2 This Funding Statement is structured as follows:

- Section 1 provides an introduction to the purpose and contents of this Funding Statement and an overview of the project
- Section 2 provides coverage on the topic of estimated project costs
- Section 3 details how the Applicant intends to fund the overall costs for the scheme

1. Introduction

1.1 Overview

1.1.1 This **Funding Statement (EN010166/APP/4.4)** has been prepared by Uniper UK Limited (the Applicant). It forms part of the application (the Application) for a Development Consent Order (DCO), that has been submitted to the Secretary of State (the SoS), under Section 37 of 'The Planning Act 2008' (the 2008 Act).

1.1.2 The Applicant is seeking a DCO for the construction, operation (including maintenance) and decommissioning of a proposed low carbon Combined Cycle Gas Turbine (CCGT) Generating Station fitted with Carbon Capture Plant (CCP) (the Connah's Quay Low Carbon Power (CQLCP) Abated Generating Station) and supporting infrastructure (collectively 'the Proposed Development').

1.1.3 The CQLCP Abated Generating Station would comprise up to two CCGT with CCP units (and supporting infrastructure) achieving a net electrical output capacity of more than 350 megawatts (MW; referred to as MWe for electrical output) and up to a likely maximum of 1,380 MWe (with CCP operational) onto the national electricity transmission network.

1.1.4 Through a carbon dioxide (CO2) pipeline, comprising existing and new elements, the Proposed Development would make use of CO2 transport and storage networks owned and operated by Liverpool Bay CCS Limited, currently under development as part of the HyNet Carbon Dioxide Pipeline project (referred to as the 'HyNet CO2 Pipeline Project'), that will transport CO2 captured from existing and new industries in North Wales and North-West England, for offshore storage. The captured CO2 will be permanently stored in depleted offshore gas reservoirs in Liverpool Bay.

1.1.5 For the purposes of the electrical connection, National Grid Electricity Transmission plc (NGET), which builds and maintains the electricity transmission networks, is responsible for the operation and maintenance of the existing 400 kV NGET Substation.

1.1.6 A description of the Proposed Development, including details of maximum parameters, is set out in **Chapter 4: The Proposed Development** of the **Environmental Statement (ES)** (**EN010166/APP/6.2.4**). At this stage in the development, the design of the Proposed Development incorporates a necessary degree of flexibility to allow for ongoing design development.

1.1.7 This Funding Statement has been prepared further to the requirements of Regulation 5(2)(h) of the Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009 and in accordance with the Department for Communities and Local Government (DCLG) guidance, "Planning Act 2008: nationally significant infrastructure projects- Application Form Guidance" and "Planning Act 2008: guidance related to procedures for the compulsory acquisition of land."

1.1.8 The submission of a Funding Statement with the Application is to satisfy the requirements of Regulation 5(2)h, as the proposed Order would authorise the compulsory acquisition of land or an interest in land or right over land

which requires a statement to indicate how an order that contains the authorisation of compulsory acquisition is proposed to be funded.

1.1.9 The DCLG guidance on compulsory purchase explains that this statement should provide as much detail as possible about the resource implications of both acquiring the land and implementing the project for which the land is required. This Funding Statement therefore explains how the Applicant proposes to fund the implementation of the project, including the acquisition of rights and interests in land. It should be read alongside the Statement of Reasons (Application Document Ref. 4.3) that justifies the powers of compulsory acquisition that are sought in the **draft DCO** ((**EN010166/APP/3.1**).

1.2 The Applicant

1.2.1 The Applicant is a UK-based company, wholly owned by Uniper SE (Uniper) through Uniper Holding GmbH. Uniper is a European energy company with global reach and activities in more than 40 countries. With around 7,500 employees, the company makes an important contribution to security of supply in Europe, particularly in its core markets of Germany, the UK, Sweden, and the Netherlands. In the UK, Uniper owns and operates a flexible generation portfolio of power stations, a fast-cycle gas storage facility and two high pressure gas pipelines, from Theddlethorpe to Killingholme and from Blyborough to Cottam.

1.2.2 Uniper is committed to investing around €8 billion (~£6.9 billion) in growth and transformation projects by the early 2030s and. aims to be carbon-neutral by 2040. To achieve this, the company is transforming its power plants and facilities and investing in flexible, dispatchable power generation units. Uniper is one of Europe's largest operators of hydropower plants and is helping further expand solar and wind power, which are essential for a more sustainable and secure future. Uniper is gradually adding renewable and low-carbon gases such as biomethane to its gas portfolio and is developing a hydrogen portfolio with the aim of a long-term transition. The company plans to offset any remaining CO2 emissions by high-quality CO2-offsets.

1.3 What is Carbon Capture and Storage?

1.3.1 Carbon capture and storage (CCS) is a key part of the process to reduce carbon emissions in energy generation. It involves the removal and capture of CO_2 from power plant emissions, transporting it away to be securely stored underground, often in aquifers or depleted oil and gas fields.

1.3.2 CCUS also refers to carbon capture and storage but with the 'U' referring to utilisation of the captured CO_2. Captured CO_2 can be used for a variety of industrial purposes, such as the production of synthetic fuel and low carbon building materials, or in the food and beverage industry.

1.4 The Proposed Development

1.4.1 The Proposed Development would comprise up to two CCGT with CCP units (and supporting infrastructure) achieving a net electrical output capacity of more than 350 megawatts (MW; referred to as MWe for electrical output) (up to a likely maximum of 1,380 MWe (with CCP operational)) onto the national electricity transmission network.

1.4.2 At this stage, the final technology selection cannot yet be made as it will be determined by various technical and economic considerations and will be influenced by future UK Government policy and regulation. The design of the Proposed Development therefore incorporates a necessary degree of flexibility to allow for the future selection of the preferred technology in the light of prevailing policy, regulatory and market conditions once a DCO is made.

1.4.3 The Proposed Development is described in detail in Schedule 1 of the **Draft DCO** (**EN010166/APP/3.1**), and the areas in which each component (the Work Nos.) may be constructed are shown on the **Works Plans** (**EN010166/APP/2.3**).

1.4.4 The Proposed Development is split into 13 Work Nos. and also includes Site Wide Works, which may be carried out in connection with the construction of Work Nos. 1 to 13, as follows:

- **Work No. 1** – A CCGT electricity generating station of more than 350 MW with CCP and ancillary buildings and structures within the Main Development Area. This includes:
  - up to two combined cycle gas turbine plants;
  - up to two carbon dioxide (CO_2) capture plants;
  - plant cooling and utilities infrastructure;
  - natural gas reception facility;
  - carbon dioxide interface facility;
  - administration, control room and stores;
  - demolition of existing buildings and structures including the existing gas treatment plant;
  - demolition of the existing ENI Above Ground Installation (AGI); and
  - various ancillary works.
- **Work No. 2** – Infrastructure connection works, including:
  - works to connect to an existing high pressure gas supply pipeline running within the existing power station site;
  - underground and potentially overground electrical cables and control system cables to connect Work No. 1 to switch disconnectors;
  - new connections and improvements to existing water pipelines between Work No. 1 and the supply point north of Kelsterton Road; and
  - cooling water connections from Work No. 3 to Work No. 1.

- **Work No. 3** – Water supply connection works to provide cooling water to Work No. 1 and discharge of used cooling water and treated process water. This Work comprises works to the existing cooling water supply pipelines between Work No. 1 and the River Dee and the existing intake structures within the River Dee between the existing concrete manifold and existing protection structure.
- **Work No. 4** – Temporary construction and laydown areas.
- **Work No. 5** – Construction of a surface water discharge.
- **Work No. 6** – Electrical connection works for the export and import of electricity, including works within the existing National Grid substation.
- **Work No. 7** – Construction of an underground Carbon Dioxide (CO_2) pipeline approximately 422 metres in length between Work No. 8 and the existing repurposed natural gas pipeline (to be used for CO_2).
- **Work No. 8** – Modification of an AGI at Flint to connect the CO_2 pipeline into the HyNet CO_2 Pipeline.
- **Work No. 9** – The creation and use of a temporary logistics and construction compound for the use during the construction.
- **Work No. 10** – Works to provide site access.
- **Work No. 11** – Temporary accommodation works to facilitate haulage route access between the Port of Mostyn and Work No. 1, including the temporary removal of a gate and fence adjacent to the railway and subsequent reinstatement.
- **Work No. 12** – Re-establishment and use of waterborne transport offloading facilities at Connah's Quay North (known as the Corus Jetty) south of Flintshire Bridge and temporary accommodation works to facilitate the haulage route on existing roads between Connah's Quay North and Work No. 1.
- **Work No. 13** – Landscaping, biodiversity enhancement measures and boundary treatment.
- **Site Wide Works** – Further associated and ancillary development comprising such other works or operations as may be necessary or expedient.

1.4.5 The Applicant will be responsible for the construction, operation (including maintenance) and eventual decommissioning of the Proposed Development, with the exception of:

- The ENI Work (Work No. 1(h)) for which ENI UK Limited also has the benefit of the Order;
- the Liverpool Bay CCS Works (Work Nos. 1(e) and 7-9) for which Liverpool Bay CCS Limited also has the benefit of the Order; and
- the National Grid Works (Work No. 6) for which National Grid also has the benefit of the Order.

1.4.6 The Proposed Development includes the equipment required for the capture and compression of carbon dioxide emissions from the generating station so that it is capable of being transported off-site. The Proposed Development

expects to make use of transport and storage networks owned and operated by Liverpool Bay CCS Limited, currently under development as part of the HyNet CO2 Pipeline Project, which will transport CO2 captured from existing industries in North Wales and North-West England, as well as from new hydrogen production facilities that are proposed as part of HyNet North West Project. The captured CO2 will be stored in depleted offshore gas reservoirs in an area located within Liverpool Bay.

1.4.7 The Proposed Development will operate 24 hours per day, 7 days per week with programmed offline periods for maintenance. It is anticipated that in the event of CCP maintenance outages, for example, it will be necessary to operate the Proposed Development without carbon capture, with exhaust gases from the CCGT being routed via the Heat Recovery Steam Generator (HRSG) stack.

1.4.8 Various types of associated and ancillary development further required in connection with and subsidiary to the above works are detailed in Schedule 1 'Authorised Development' of the **Draft DCO** (**EN010166/APP/3.1**).

1.4.9 This along with **Chapter 4: The Proposed Development** (**EN010166/APP/6.2.4**) provides further description of the Proposed Development. The areas within which each numbered Work (component) of the Proposed Development are to be built are defined by the coloured and hatched areas on the **Works Plans** (**EN010166/APP/2.4**).

1.5 The Proposed Development Site

1.5.1 The Proposed Development Site (the Order Limits) is located approximately 0.6 kilometres (km) north-west of Connah's Quay in Flintshire, north-east Wales. The Main Site is centered approximately at national grid reference 327347, 371374, and, together with the Proposed CO2 Connection Corridor, Repurposed CO2 Connection Corridor, Electrical Connection Corridor, Water Connection Corridor, Indicative Enhancement Area, and ancillary works to access roads and minor assets, is wholly within the administrative area of Flintshire County Council (FCC).

1.5.2 The existing Connah's Quay Power Station is a four-unit combined CCG plant providing 1,380 MW of dispatchable power exported to the National Grid.

1.5.3 The Order limits encompass a total area of approximately 105 hectares (ha).

1.5.4 The Proposed Development includes areas including:

- Main Site;
- Repurposed CO2 Connection Corridor;
- Proposed CO2 Connection Corridor;
- Water Connection Corridor;
- Electrical Connection Corridor; and
- Indicative Enhancement Area.

1.6 The Development Consent Process

1.6.1 Because the Proposed Development is an NSIP project, the Applicant is required to obtain a DCO to construct, operate and maintain the generating station, under Section 31 of the 2008 Act. Sections 42 to 48 of the 2008 Act govern the consultation that the promoter must carry out before submitting an application for a DCO and Section 37 of the 2008 Act governs the form, content and accompanying documents that are required as part of a DCO application. These requirements are implemented through the Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009 (as amended) ('APFP Regulations') which state that an application must be accompanied by an ES, where a development is considered to be 'EIA development' under the Infrastructure Planning (Environmental Impact Assessment) Regulations 2017 (the EIA Regulations).

1.6.2 An application for development consent for the Proposed Development has been submitted to the Planning Inspectorate (PINS) acting on behalf of the Secretary of State. Subject to the Application being accepted (which will be decided within a period of 28 days following receipt of the Application), PINS will then examine it and make a recommendation to the SoS, who will then decide whether to make (grant) the DCO.

1.6.3 The majority of the land required for the implementation of the Proposed Development is owned freehold by the Applicant.

1.6.4 However, the Proposed Development requires the acquisition of additional interests in land, acquisition and creation of new rights under and over land, and the temporary use of land, as further described in the **Statement of Reasons (EN010166/APP/4.3)**.

1.6.5 These interests in the Proposed Development Site are set out in the **Book of Reference (EN010166/APP/4.1)**.

1.6.6 Notwithstanding the Applicant's intention to acquire these interests and rights by voluntary agreement, as set out in the **Statement of Reasons** (**EN010166/APP/4.3**), the Applicant is requesting powers to compulsorily acquire land, interests and rights through the **Draft DCO** (**EN010166/APP/3.1**). This is to ensure that the necessary interests and rights in land for the Proposed Development can be secured without unnecessary delay.

1.6.7 In the absence of such powers being granted the Applicant would not have certainty that the Proposed Development could be implemented.

1.6.8 The Applicant is currently in the process of acquiring a freehold interest in the land at Prestatyn required for curlew mitigation. It is expected that this will have been acquired by the commencement of the Examination of the DCO application. This land is not within the Order limits.

2. Estimated Project Costs

2.1.1 **ES Chapter 5: Construction Management and Programme** (**EN010166/APP/6.2.5**) explains the construction phase of the Proposed Development setting out details of the anticipated construction programme, timings and methods of working.

2.1.2 As explained, a detailed construction programme is not available, as this is normally determined by the Engineering, Procurement and Construction contractor who has yet to be appointed.

2.1.3 Such appointment will be in form of a competitive tender and current cost estimates prepared by the Applicant are therefore commercially sensitive.

2.1.4 As full construction details cannot be confirmed at this stage, reasonable worst-case estimates have been made based on experience of similar developments and professional judgement.

2.1.5 These cost estimates take full account of anticipated inflation and include significant contingency allowances.

2.1.6 With regard to compulsory acquisition costs, the actual and intended offers/settlements of compensation are confidential between the parties and details thereof cannot be disclosed to third parties. The Applicant has appointed specialists to advise on land value and compensation matters, but it would be prejudicial to ongoing negotiations to provide a detailed breakdown of the anticipated compulsory acquisition costs or an estimate of the total compulsory acquisition costs, as such information is commercially sensitive.

3. Source of Funding

3.1.1 Uniper SE benefits from a strong balance sheet and credit rating to support investor, counterparty and market confidence and to underpin future development of the business. As of 31 March 2025, Uniper Group's reported Net Economic Cash position stood at € 2.6bn which provides some financial flexibility to fund parts of Uniper Group's envisaged growth and transformation projects by the early 2030s, including the funding for this Proposed Development.

3.1.2 As the project and the planning for the Proposed Development further advances and the timing of investment needs become clearer, Uniper Group may opt to take on external debt to fund the Proposed Development. Note that Uniper SE acts as central funding vehicle for the Uniper Group. Uniper SE may access funding through the bank loan or bond markets and the proceeds of any debt raising may then be transferred to the Applicant. Uniper SE is an established borrower in the European loan markets with a € 3.0bn syndicated revolving credit facility currently outstanding and fully undrawn as well as a € 2.0bn debt issue program in place to facilitate bond issues as needed.

3.1.3 Credit ratings are important to have best access to debt funding and to maintain an efficient cost of capital. Uniper Group's creditworthiness is rated by two credit rating agencies, Standard & Poor's and Scope.

3.1.4 On 11 July 2025, Uniper SE's long-term issuer credit rating was affirmed at "BBB-" with "stable outlook" by Standard & Poor's. On 17 June 2025, Scope upgraded Uniper SE's long-term issuer credit rating to "BBB" with "stable outlook".

3.1.5 Project development costs incurred prior to the Final Investment Decision and commencement of construction will be funded from contributions primarily from the Applicant.

3.1.6 A Final Investment Decision on the Proposed Development will be taken following any grant of development consent, and will be based on a detailed costed development programme. The costed development programme will confirm the projected costs for all elements of the delivery of the Proposed Development including capital expenditure during the construction phase, the cost of acquiring land or obtaining necessary rights for the Proposed Development (whether compulsorily or otherwise), and any compensation payable as a result of the Proposed Development and in accordance with the made DCO.

3.1.7 Costs incurred as part of the development programme, including any compulsory acquisition costs, will be funded from a combination of equity and debt finance, with the exact combination depending upon finalization of the business model offering from the Government and ongoing discussions with the financial advisors. The Applicant will work with a variety of financial institutions and advisors in order to secure funding, which will be available in accordance with timings identified in the development programme. The Applicant has extensive experience of refinancing major capital projects.

3.1.8 Should any claims for blight arise as a consequence of the Applicant, the Applicant has sufficient funds to meet the cost of acquiring these interests at

whatever stage they are served. However, the Applicants have not identified any interest in the Order land who could be eligible to serve a blight notice.

3.1.9 The Applicant has also included Article 52 in the **draft DCO** ((**EN010166/APP/3.1**) which requires the Applicant to put in place financial security in respect of compensation liabilities, prior to exercising any of the relevant powers of compulsory acquisition (should they be granted). The article provides that the financial security must be in a form approved by the Secretary of State, and that it must be directly enforceable by those who are entitled to compensation.

3.1.10 Therefore, the Applicant has the ability to procure the financial resources necessary to fund the works to be authorised by the DCO being sought.

3.1.11 We have enclosed a copy of the latest publicly available accounts of the Applicant to support this response in Appendix 1.

Abbreviations

Abbreviation	Term
AECOM	AECOM Limited (consultancy firm)
AGI	Above Ground Installation
APFP	Applications: Prescribed Forms and Procedure
CA	Compulsory Acquisition
CCS	Carbon Capture and Storage
CCP	Carbon Capture Plant
CCGT	Combined Cycle Gas Turbine
DCLG	Department for Communities and Local Government
DCO	Development Consent Order
DESNZ	Department for Energy Security and Net Zero
EIA	Environmental Impact Assessment
ES	Environmental Statement
FCC	Flintshire County Council
GW	Gigawatt
ha	Hectares
HRSG	Heat Recovery Steam Generator
km	Kilometres
MW	Megawatts
MWe	Megawatts electrical output
NSIP	Nationally Significant Infrastructure Project
PINS	Planning Inspectorate
SoS	Secretary of State
TQR	Technical Quality Review
UK	United Kingdom

Appendix 1: Full Accounts

UNIPER UK LIMITED

Strategic Report, Directors' Report and Financial Statements

for the Year Ended 31 December 2023

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Company number: 02796628

UNIPER UK LIMITED
STRATEGIC REPORT
for the year ended 31 December 2023

The directors present their strategic report of the Company for the year ended 31 December 2023.

Fair review of the business

The Company provides capacity and generation of electricity at a fleet of conventional power stations in the UK.

The Company is a wholly owned subsidiary of Uniper SE whose shares are traded on the Frankfurt Stock Exchange. The majority shareholder of Uniper SE (with a holding of 99.12%) is UBG Beteiligungsholding GmbH, which is a wholly owned subsidiary of the Federal Republic of Germany.

The Company's turnover during the year was £6,207 million (2022: £17,003 million), with an operating profit of £525 million (2022: operating profit of £1,913 million). Decrease in turnover is driven by power prices, which have declined significantly compared to 2022 and returned to more normal levels.

During the year, the Company made a profit before taxation, impairments and impairment reversals of £686 million (2022: profit of £1,823 million). Impairment charges in the year were £131 million and impairment reversals of £7 million (2022: impairment of £5 million and impairment reversals of £101 million).

At 31 December 2023, the Company had net assets of £1,989 million (2022: net assets of £1,572 million). Further information regarding the financial position of the Company at the year-end is provided in the Directors Report.

Trading

The Company's main activity is that of power generation. The generation business forms part of Uniper SE's European Generation division and focuses on maintaining a low cost, efficient and flexible conventional electricity generation business in order to compete effectively in the wholesale electricity market. As of 31 December 2023, the Company owned conventional power stations in the UK with an attributable registered generating capacity of 6,443 MW (2022: 6,443 MW).

The Company generates electricity from various fuel sources. In 2023, a total of 13.93 TWh (2022: 16.04 TWh) was generated of which 80% was fuelled by gas and 20% by coal. The Company regularly monitors the economic status of its plants in order to respond to changes in market conditions.

The Company also carries out central support services delivering facilities management, human resources, procurement, insurance, property, legal and finance support to other Uniper companies operating in the UK.

Future developments

Further discussion of future developments is included in the Directors' Report.

Subsequent events

Capacity Market Auctions

In February 2024 the capacity market T-1 auction took place for the delivery period 2024/25. The clearing price was £35.79 per kilowatt per year. Since all our gas plants and open-cycle gas turbines already hold agreements for the delivery year 2024/25, no Uniper UK units were entered into this auction. Additionally, in February 2024 the capacity market T-4 auction took place for the delivery period 2027/28. The clearing price was £65 per kilowatt per year. All sites were successful in getting agreements in the auction.

Environmental provision

During quarter two of 2024, the Company engaged with external consultants to perform a follow-up review of the environmental provision held. The provision held at 31 December 2023 of £8 million, was originally booked in 2015, and was based on external consultant reports undertaken at that time. Following receipt of the updated report, the total expected costs of works required to rectify contaminated land in the most likely scenario is £27 million. This has led to an additional £19 million subsequently being booked. The increase is due mainly to inflation impact on previous estimates of soil treatment remedial work and further assessment and remediation costs for ground water.

Principal risks and uncertainties

The key business risks and uncertainties affecting the Company are considered to relate to regulatory risk, credit risks, reputational risks, commodity price risks, asset performance risks, decommissioning and demolition risks.

Regulatory risk

The political, legal and regulatory environments within which the Company operates are a source of external risk.

Changes to these environments can lead to considerable uncertainty. The Company manages these risks by engaging in intensive and constructive dialogue with government agencies and policy makers. Under United Kingdom legislation, carrying out of certain electricity and gas activities are prohibited unless authorised by a licence or

exemption. A number of the Company's activities are authorised by licence and failure to comply with the requirements of such licences, risks a fine of up to 10% of the Company's turnover.

In February 2023, the Prime Minister's restructuring of government departments saw the creation of the Department of Energy Security and Net Zero, carving out the energy remit from the former Department for Business, Energy and Industrial Strategy. The Energy Act 2023, which received Royal Assent on October 26, 2023, includes the legislation needed to implement the business models for low carbon hydrogen production through contracts for difference (CfDs), industrial and power generation carbon capture through the Dispatchable Power Agreement regulations, and to support CO2 transport and storage, as well as the establishment of a new Future System Operator (FSO), providing strategic oversight across electricity and gas systems. It also includes provisions for a support mechanism for hydrogen transport and storage. The government had already announced £20 billion of funding for carbon capture usage and storage in the Spring Budget on March 21, 2023, and during the year selected four CCS transport and storage clusters and continued the selection process to support capture projects which will feed CO2 into these storage facilities. The government also launched a second call for further capture projects for the first two clusters (track 1 expansion) and allocation of the remaining two clusters' (Track 2) storage facilities, and the CCS cluster sequencing process continues in 2024 with final investment decisions on initial track 1 capture projects expected by the end of summer and the next stages for track 2 and for track 1 expansion projects.

The government began its consultations on non-pipeline transportation of CO2 to enable CCS for industry far away from storage facilities, and on a business model for hydrogen power and set out its approach to allocating Hydrogen Storage Business Model funding to hydrogen storage projects.

In addition, the government continued to consult on electricity market reform (REMA), the UK Emissions Trading System (UK ETS), and measures to address carbon leakage risk. The government has legislated for the UK ETS to continue out to 2050 and announced its intention to implement a Carbon Border Adjustment Mechanism by 2027, applying a charge on the carbon emissions embodied in imports from the sectors aluminium, cement, ceramics, fertilizer, glass, hydrogen, iron and steel.

In the first months of 2024 there was much speculation on when the next General Election would take place, with the then Prime Minister Rishi Sunak stating it would be the second half of the year and on 22 May, announcing that the General Election would take place on 4 July 2024. The Labour Party won with a majority of 412 out of the 650 seats. The new Prime Minister, Sir Keir Starmer, has appointed his cabinet, with Ed Miliband who oversaw the introduction of the Climate Change Act 2008, appointed Secretary of State for Energy Security and Net Zero.

The new government brings in the ambitious target of power sector decarbonisation by 2030 – five years earlier than under the previous government. To reach a net zero power system by 2030, their manifesto commits to doubling onshore wind, tripling solar, and quadrupling offshore wind; investing in CCUS, hydrogen and marine energy and long-term storage, as well as a commitment to new build nuclear (Hinkley point C and Sizewell C, and Small Modular Reactors). Their manifesto also commits to maintaining a strategic reserve of gas power stations to guarantee the security of supply through the energy transition. The former CEO of the Climate Change Committee, Chris Stark has been appointed into a new role to oversee the implementation of the government's clean power by 2030 target.

The first legislative programme for the new government was set out in the King's Speech on 17 July, aligned to delivering the government's manifesto commitments around economic growth, energy, transport, and jobs. A total of 40 bills and draft bills were announced. This included the Great British Energy Bill, which will set out provisions for the creation of GB Energy – a publicly owned company intended to fund local community power projects and strategic co-investment with private sector companies in wind, solar, and potentially CCS, hydrogen and nuclear, and a National Wealth Fund Bill to directly invest in ports, hydrogen and industrial clusters, with an additional £1bn to accelerate the deployment of CCS projects and £500m to green hydrogen. The Great British Energy Bill will enable Great British Energy to develop, own and operate assets, investing in partnership with the private sector. The Secretary of State will be required to prepare a strategic priorities statement for Great British Energy, to ensure it focuses its efforts on Government priorities.

The legislative agenda also includes a Planning and Infrastructure Bill, aimed at addressing planning constraints, and streamlining the planning process to build more homes and accelerate the delivery of major infrastructure projects in alignment with their industrial, energy, and transport strategies. This includes streamlining the delivery process for critical infrastructure including by accelerating upgrades to the national grid and boosting renewable energy. In addition, the government aims to simplify the consenting process for major infrastructure.

The King's Speech also confirmed the establishment of an Industrial Strategy Council and a commitment to reset the relationship with European partners and work to improve the United Kingdom's trade and investment relationship with the European Union. As part of this, the government would like to work towards a linking of the UK and EU Emissions

Trading Schemes (ETS) and align the introduction of a UK Carbon Border Adjustment Mechanism (CBAM) with the timing of the introduction of the EU's CBAM.

Credit risk

The Company is at risk if a counterparty is unable to meet its obligations, resulting in potential losses. The Company is subject to the Uniper SE group finance policy which sets a credit limit for every financial institution with which the Company does a significant amount of business. The majority of the Company's business is with other Uniper SE group companies. The creditworthiness of the institutions with which the Company does significant business is established by the ratings they receive from Standard & Poor's. In addition, other counterparty credit risk is subject to the Uniper SE group credit risk management policy supported by individual business unit policies to establish internal ratings for limit setting. Credit risk assessment involves quantitative and qualitative criteria including ratings by independent rating agencies where these are available. 94% of the Company's turnover is with a fellow group company, limiting the third-party credit exposure of the Company.

Reputational risk

The Company is part of a prominent European energy group and may be mentioned expressly or impliedly during public discussions of significant energy issues. Trust and credibility are essential for the Company to remain successful over the long term. The foundation for earning trust and credibility is built by clear and consistent communications with the Company's key stakeholders and customers. The Company works hard to engage in dialogue and maintain good relationships with its key stakeholders and customers. This is achieved by paying attention to environmental and social issues. The Company's objective is to minimise its reputational risks and garner public support so that it can continue to operate its business successfully.

Commodity price risk

The Company sells the majority of its output to Uniper Global Commodities SE ('UGC') using a transfer pricing mechanism which manages all of the associated short-term commodity price risk of the Company during the year. UGC then trades this volume on the wholesale market. Residual commodity price risks are managed through the use of derivative financial instruments and the financial impact of these is mirrored in the Company's financial statements under the transfer price agreement effective from 1 January 2018. The key risk under the transfer pricing mechanism for the Company is the potential for unscheduled power station outages for which the Company could incur financial liabilities. This risk is discussed separately under 'Asset performance risks'.

Asset performance risks

If shutdowns or outages involving the Company's generation assets occur, the Company's business and results of operations could be negatively affected. In order to minimise the impact of reduced asset performance, the Company undertakes regular maintenance and adopts good maintenance practice. The Company also continues to implement operational and infrastructure improvements that will enhance the reliability of the generation assets. The Company has insurance contracts in place to cover certain losses due to unforeseen generation outages or shutdowns.

Decommissioning and demolition risks

The Company maintains provisions for the decommissioning and demolition of its power stations. There is a risk that the actual cost will exceed the provision due to unforeseen works being required. In order to mitigate this risk, the Company periodically reviews forecast expenditure and updates the provisions accordingly. Furthermore, the activities involved in decommissioning and demolition carry an inherent risk to the safety and health of the individuals performing this work. The Company has standards, policies and procedures in place to ensure that this risk is minimised. Employees of the Company and employees of other companies who are contracted to perform these works are subject to the same standards, policies and procedures.

Section 172 (1) and Corporate Governance Statement

In accordance with Section 172 (1) of the Companies Act 2006 ('s172'), a director of a company must act in the way he/she/they considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. The Company ensures this by carrying out the following in line with the corporate governance code. The Company applies its own corporate governance code but can be explained more fully by using the six Wates principles as shown below. There was no departure from these principles.

Opportunity and Risk

(a) The directors hold regular board meetings to discuss matters on the agenda which affect the opportunities and risks to the company. Agenda items include areas such as Risk, Remuneration, Policy & Procedures and Compliance to laws and regulations. The company takes account of the likely effects of decisions in the long

term by including the attendance to these meetings by expert representatives of the specific areas who help aide decision making are ensure that decisions made are aligned with the Uniper's strategic goals.

Stakeholder relationships and engagement

(b) Key figures in the business are responsible for meeting customers, suppliers and any other stakeholders on a regular basis to discuss matters of mutual concern. This is particularly relevant in the area of political affairs, employee engagement and customers relations. Key suppliers and customers are liaised with on a regular basis by the UK function representatives so that matters of business are discussed and working relationships are strengthened. The business holds regular town hall meetings, the purpose of which is to cascade the results and future plans to colleagues in the business and take any questions or suggestions from them, in effect a forum for open communication between the Board and employees is maintained and encouraged. This ensures that the opinions and ideas of all those impacted are taken into consideration.

Remuneration

(c) Forums are also carried out in regards to remuneration with trade unions and employees. These forums are attended by the Company and employee representatives to align the group strategy of retention and remuneration with pay increases and bonus structures.

Director Responsibilities

(d) The board of directors take the issue of the impact of the business on the community and the environment very seriously and keep this area constantly under review with the assistance of the HSSE and HR function in the UK. Regular monitorisation of accidents, health related issues, safety of sites and wellbeing of employees, as well as constant update of working practices such as flexible working and DEI ensure that the Company remain focused at all times on its impact at a wider level.

Purpose and Leadership

(e) The strategy and purpose of the Company and Uniper as a whole – Flexible, balanced, bespoke – are fully dedicated to sustainability. The Directors discuss on a regular basis how the Company is meeting the Group wide strategy in place at that point in time, and what else it can do to fulfil these pillars by focusing on accelerating the energy transition and ensuring security of supply.

Board Composition

(f) All decisions made by the board, comprising of men and women who demonstrate excellence in their field, are approved by the majority of the directors and are assessed to ensure the likely effects of decisions in the long term are aligned with those of Uniper SE and the supervisory board, through approval panels and close discussions with the supervisory board and board of management. The composition of the board of Directors ensures that there is a breadth of knowledge and expertise at the Board level decision making process.

Further details are outlined in the Directors' report below and the Group's Sustainability Report 2023, which all Uniper entities must abide by. https://www.uniper.energy/sites/default/files/2024-04/2023%20Sustainability%20Report%20EN.pdf

Key performance indicators ('KPIs')

The Company's financial KPIs during the year were as below;

	2023	2022
Adjusted net income (ANI)	**£604.4m**	£260.5m
Cash inflow/(outflow) from operating activities	**£1,136.8m**	£472.3m

Adjusted net income, a measure composed of adjusted EBITDA, net operating interest income and income taxes on operating earnings, less non-controlling interests in operating earnings, is one of the key measures of the Company for purposes of internal management control and an important element of the profitability of its operations.

The non-operating earnings for which EBITDA is adjusted include, in particular, income and expenses from the fair value measurement of derivative financial instruments, expenses for restructuring/cost management programs and impairment charges on non-current assets.

The ANI in the year was favourable compared to the prior year due mainly to positive hedge developments. The cashflow for the year was in line with expectations and was a result of continued operating activities and internal working capital movements.

The directors do not believe there are any further financial KPIs that are not already disclosed within these financial statements.

The Company's non-financial KPIs during the year were as below;

	2023	2022
Plant availability	**71.2%**	62.2%
Generating capacity at year end (MW)	**6,443**	6,443
Generation production during the year (TWh)	**13.93**	16.04

Approved by the Board of Directors on 9 August 2024 and signed on its behalf by:

M Bayes
Director

Uniper UK Limited
Company No: 02796628
Compton House
2300 The Crescent
Birmingham Business Park
Birmingham
B37 7YE

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2023.

Directors of the Company

The directors of the Company who were in office during the year and up to the date of signing these financial statements were:

M J Lockett
M Bayes
A Mitchell
P A Lopez Estebaranz

Principal activities

The Company's principal activity during the year was the provision of capacity and the generation of electricity at a fleet of conventional power stations. The Company also provides central support services to other Uniper companies operating within the UK and acts as a holding company.

Results and dividends

The Company's comprehensive income for the financial year is £417 million (2022 profit: £1,488 million). No interim dividends were paid during the year (2022: £nil). The directors do not recommend the payment of a final dividend (2022: £nil).

Financial instruments

Objectives and policies

The Company, in common with other companies within the Uniper SE group, must comply with Uniper SE's group finance guidelines that set out the principles and framework for managing group-wide finances. The Company also has its own local operational treasury team which services the treasury requirements of the business. Further information on the Uniper SE group's policies and procedures is available in the financial statements of the Uniper SE group.

Uniper SE has a central department that is responsible for the finance and treasury strategy, policies and procedures throughout the Uniper SE group. Major strategic financing and corporate finance actions are planned and executed by the corporate finance team at Uniper SE. There is also a treasury team which co-ordinates currency and interest risk management as well as cash management for the whole Uniper SE group.

The Company operates its own specific treasury procedures within the overall Uniper SE treasury framework. The Uniper SE treasury team liaise closely with the Company to ensure that liquidity and risk management needs are met within the requirements of the Uniper SE policies and procedures.

Transfer Pricing System

All energy-related contracts with Uniper Group companies are accounted for at market prices or market-price-based transfer prices. In forward transactions, transfer prices are derived from current forward prices for a specified time prior to delivery.

Under the portfolio management agreement, Uniper Global Commodities SE (UGC) hedges the expected electricity generation of the power plant companies by concluding hedging transactions (physical and financial) on the basis of current market prices and makes uses of spot optimisation.

UGC locks in a future selling price for the electricity expected to be generated by the power plant operating companies by entering into hedges at current market prices in the context of a portfolio management contract, so that the Company shows the financial effect of the price hedging of their generation positions.

Uniper SE's central financing strategy

Uniper SE's financing policy is to centralise external financing at the Uniper SE level and to reduce external debt in subsidiaries wherever possible. Uniper SE then funds its subsidiaries with inter-company finance. This finance may be in the form of equity or debt, as appropriate.

The Company's treasury team employs a continuous forecasting and monitoring process to ensure that the Company complies with all its banking and other covenants that apply to the financing of the UK business. The treasury team works in close liaison with the other group companies operating within the UK, when considering hedging requirements related to their activities. A group-wide cash forecasting and currency exposure reporting process exists which ensures regular reporting into UK treasury of future positions, both short and medium term. Information is submitted to Uniper SE for incorporation into Uniper SE group forecasting processes on a weekly and quarterly basis.

The Company does not enter into speculative treasury arrangements. Accordingly, all transactions in financial instruments are matched to an underlying business requirement, such as committed purchases or forecast funding requirements. Treasury activities are reviewed by internal audit on a regular basis.

Price risk, credit risk, liquidity risk and cash flow risk

Foreign exchange risk management

The Company primarily trades in Sterling but its principal currency exposure is to the Euro. The Company operates within the framework of Uniper SE's guidelines for foreign exchange risk management. The Company has local policies dealing with operational exposures (typically cash flows arising on construction and maintenance which impact the cash flow and profit and loss account).

The Company's policy is to hedge all contractually committed operational exposures, as soon as the commitment arises. The Company will also partly hedge less certain cash flows when appropriate. The Company determines the hedging of translation exposures (the value of foreign currency liabilities and assets in the balance sheet) on a case-by-case basis in consultation with the Uniper SE Treasury department.

Interest rate risk management

The Company operates within the Uniper SE framework for interest rate risk management. The Company has a number of funding arrangements and is exposed to movements in interest rates. At a Uniper SE level these interest rate exposures are managed primarily through the use of a mixture of fixed and floating rate borrowings.

Credit risk management

The Company is subject to the Uniper SE group finance policy which sets a credit limit for every financial institution with which the Company does a significant amount of business. The creditworthiness of the institutions with which the Company does significant business is established by the ratings they receive from Moody's and Standard & Poor's. In addition, other counterparty credit risk is subject to the Uniper SE group credit risk management policy supported by individual business unit policies to establish internal ratings for limit setting. Credit risk assessment involves quantitative and qualitative criteria including ratings by independent rating agencies where these are available.

Liquidity planning, trends and risks

The Company has sufficient committed borrowing facilities to meet planned liquidity needs with headroom (see below section on going concern for more details), through facilities provided by Uniper SE. The Company also has a bank overdraft facility to support daily liquidity management. As electricity generation is a capital-intensive business, planned capital spending remains at significant levels. The level of operating cash is affected by the performance of the business, market prices and margins amongst other things.

Political donations

No political donations were made during the year (2022: £nil).

Corporate Governance

As described in the Strategic report (page 4), the Company applies its own corporate governance code but can be explained more fully by using the six Wates principles. There was no departure from these principles.

Equal opportunities

The Company's employment policies are designed to attract, retain and motivate the very best people recognising that this can only be achieved through offering equal opportunities for all, irrespective of gender, race, marital status, age or disability.

Employment practices and procedures are regularly reviewed to ensure that they provide equality of opportunity to all employees within the current legislative framework. The Company encourages the use of flexible working arrangements where practicable.

The Group has a focus on diversity and inclusion, which are detailed below in the employee engagement section.

Employee involvement

Recognising that the success of the Company depends on the quality of performance of its employees, increased emphasis is being put on communication programmes to ensure that employees understand the business strategy and can contribute towards its achievements. Throughout the year, principally through regular team briefings and meetings with employees and their representatives, individual businesses have continued to improve their arrangements for employee consultation and communication on matters relating to business performance and objectives. There are also

well established consultative and negotiating arrangements involving employees, employee representatives and trade union officials to ensure that employees' views are considered in relation to employment conditions, safety and health, welfare and training issues.

The Company provides appropriate training in order to satisfy business needs and to develop the talents and skills of employees, benefiting the individual, the Company and its customers.

People with disabilities

The Company fully recognises its responsibility to encourage and assist the recruitment, employment, training and career development of people with disabilities. If employees become disabled during their service with the Company arrangements are discussed to enable continuity of employment and development as appropriate.

Stakeholder and employee engagement

Employee engagement

From the perspective of the board, as a result of the group governance structure, the group board has taken the lead in carrying out the duties of a board in respect of the Company's employees, including engaging with them, having regard to their interests and the effect of that regard (including on the principal decisions taken by the Company during the financial year). The board of the Company has also considered relevant matters where appropriate.

Uniper in the UK continues to have a strong focus on diversity, equity and inclusion. We believe that having a focus on equity makes Uniper a fairer place to work and increases everybody's involvement in the company. That in turn strengthens Uniper as a team.

Uniper has a strong focus on diversity, equity and inclusion (DEI) across the company and this is reflected in the continued focus for Uniper in the UK.

The UK continues to have a dedicated DEI working group, which includes colleagues from all our sites and from all levels, and the group plans awareness activities across the year.

The Company provides appropriate training in order to satisfy business needs and to develop the talents and skills of employees, benefiting the individual, the Company and its customers. Further details are outlined on page 54 of the group's Sustainability Report 2023, which does not form part of this report.
https://www.uniper.energy/sites/default/files/2024-04/2023%20Sustainability%20Report%20EN.pdf

Stakeholder engagement

Similarly, from the perspective of the board, as a result of the group governance structure the group board has taken the lead in carrying out the duties of a board in respect of the Company's other stakeholders. The board of the Company believe that the actions of the group board fulfil the Company's obligations for stakeholder engagement under section 172, they have also considered relevant matters where appropriate. An explanation of how the directors on the group board have had regard to the need to foster the Company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the Company during the financial year, is set out on page 73 of the group's Sustainability Report 2023, which does not form part of this report. https://www.uniper.energy/sites/default/files/2024-04/2023%20Sustainability%20Report%20EN.pdf

Health, safety, security and environment ('HSSE')

The Company considers that good safety and health performance is an essential part of business activities, and the Company aims to achieve the highest standards. All aspects of safe and healthy working practices are promoted by the Company in the interests of employees, customers, suppliers and the wider community.

The Company has a dedicated HSSE team which coordinates the tasks necessary to deliver the Company's HSSE plan. Progress against the HSSE plan is monitored throughout the year with regular reports to the directors.

The Company has established an environmental policy and management system to ISO14001: 2004 (Lloyds Register Quality Assurance certification LRQ4001744) that maintains a high standard of environmental care; prevents pollution; and aims to continually improve environmental performance and complies with or exceeds environmental legislation.

The Company has a safety and health management system that has been certified by Lloyds Register Quality Assurance as complying with the requirements of OHSAS18001: 2007. The prime purpose of the system is to:

- identify and assess risks to the well-being of people who may be affected by the Company's activities and to put effective controls in place to minimise the level of risk;
- ensure that employees and others working for the Company are competent to undertake their assigned tasks;
- ensure compliance with legal and other applicable requirements; and

- seek continual improvement in the Company's safety and health performance.

Separately, testing and calibration activities are accredited through UKAS with the implementation of the requirements of the standard EN ISO 17025 ("General requirements on the competence of testing and calibration laboratories").

Further details on climate action and security of supply as well as environmental protection is outlined on page 15 of the group's Sustainability Report 2023, which does not form part of this report.

Safety, health and corporate responsibility

The Company is committed to operating in a sustainable way with a top priority of safety and health at the workplace. More information on the Company's corporate responsibility efforts is available on the Uniper group's website www.uniper.energy.

Future developments

The Company's strategy is aligned with the strategy of Uniper group which is set out on the group's website at www.uniper.energy. A new strategy was published on 01 August 2023, with a focus on accelerating the energy transition. The principal activity of the Company is expected to continue for the foreseeable future.

Environmental reporting

UK Greenhouse gas emissions and energy use data for the period 1 January to 31 December:

	2023	2022
Energy consumption used to calculate emissions (kWh)	21,366,076,672	22,416,706,832
Energy consumption break down (kWh):		
• combustion of gas	21,087,407,092	22,284,498,295
• purchased electricity	272,119,687	124,115,894
• combustion of fuel for transport purposes	6,545,893	8,092,642
Scope 1 emissions in metric tonnes CO_2e		
Emissions from combustion of gas	4,280,567	4,530,134
Emissions from combustion of fuel for transport purposes	1,651	2,138
Total Scope 1	4,282,219	4,532,272
Scope 2 emissions in metric tonnes CO_2e		
Emissions from purchased electricity	56,349	24,002
Scope 3 emissions in metric tonnes CO_2e		
Emissions from business travel in rental cars or employee-owned vehicles where the company is responsible for purchasing the fuel	91	83
Total gross emissions in metric tonnes CO_2e	4,338,658	4,556,356
Intensity ratio grams CO_2e per kWh electricity exported	375	382

GHG Reporting Protocol - Corporate Standard and the 2023 UK Government's Conversion Factors for Company Reporting. Production of electricity accounts for more than 99% of Uniper UK Limited's emissions. To quantify combustion of gas, Scope 1 emissions, Uniper UK Limited used verified emissions data reported for the United Kingdom Emissions Trading System. Combustion of fuel for transport purposes is calculated using mileage data supplied by HR, 2023 UK Government's Conversion Factors for Company Reporting are used to convert miles into tCO2e. Where available, fuel use for transport has been calculated using litres. All calculations follow the GHG Reporting Protocol - Corporate Standard and the 2023 UK Government's Conversion Factors for Company Reporting.

Energy Efficiency Action

In 2023 a number of energy saving initiatives have been implemented at Uniper sites and offices. At one Combined Cycle Gas Turbine (CCGT) Power Station, equipment associated with river water abstraction has been upgraded to offer more flexible and efficient operation. The new system is still in the implementation phase, but once completed the upgrades will reduce the plant's electricity needs by an average of 40,000 MWh annually. At the same site, a proportion of the cooling tower packing material has been replaced which will improve overall site efficiency. At another site, existing lighting systems in car parks and office buildings have been upgraded to more efficient LED alternatives. It is

estimated the lighting upgrades could save up to 850 MWh annually. At the Uniper UK Head Office, building baseline temperatures have been altered in the winter and summer seasons to reduce unnecessary energy usage across the year.

Non-financial and sustainability information statement

The directors consider that the climate-related risks and opportunities of the company, including how they are identified, assessed and managed, are integrated with those of the Uniper group, because the company is one of the operating businesses in the European Generation segment of the group and a number of UK directors are members of the leadership community of the group.

The core of Uniper's corporate strategy announced in August 2023, is to facilitate decarbonisation and accelerate the transition to a low-carbon economy while ensuring security of supply. The sustainability strategy aims to ensure that Uniper undertakes this transformation in a responsible manner from an Environmental, social and governance (ESG) perspective. The Sustainability Strategic Plan (SSP) has been developed to support the Group's corporate strategy and define improvement targets for its ESG performance.

The SSP is Uniper's main tool for defining and managing appropriate ESG risk-mitigation and impact-remediation measures for each material issue during a specific timeframe. The SSP aims to adopt new processes, such as systematic qualitative analysis of the scope, scale, and remediability of the Group's ESG impacts. It also seeks to not only mitigate impacts, but, where relevant, take proactive steps and seize opportunities to have a positive impact on ESG issues. The HSSE & Sustainability function tracks progress toward achieving the SSP targets and reports on it quarterly for the Board of Management and senior managers via Uniper Performance Dialogs (UPDs). Uniper discloses its progress on at least an annual basis in external reports.

The climate-related risks and opportunities of the Uniper group (including the related time periods), and its arrangements for managing them, are discussed further on page 96 of the group's annual financial report, which does not form part of this report. There are also discussions of these in the 2023 Sustainability Report, which does not form part of this report and can be found here: https://www.uniper.energy/sites/default/files/2024-04/2023%20Sustainability%20Report%20EN.pdf

Climate related risks and Opportunities

Physical Climate related risks

The sites within the UK have been designated as a medium or high flooding risk in a most pessimistic climate scenario.

More detail, including the assessment process can be found on page 121 of the Uniper SE annual report, which can be found here: https://www.uniper.energy/system/files/2024-04/Annual%20Report%202023.pdf

Transitional Climate related risks

Transitional Climate related risks for the Uniper Group are:

- Falling Electricity Market Prices – as the fossil fleet is gradually replaced by CO2-free generation, this could lead to a disconnect of power and CO2 prices, eventually leading to lower electricity prices for the generated electricity and hence lower revenues.
- Tighter regulation as well as changes in EU and national climate policy framework.
- Litigation – Uniper as an operator of fossil fuel power stations and a commodity trading company with considerable Scope 3 emissions, could be subject to climate litigation
- Financing – Uniper faces the risk that its access to market-based financing instruments is obstructed due to its strategy and business not being certified from the Science-Based Targets Initiative (SBTi).
- Insurance companies could withdraw completely from the fossil fuel energy sector due to fears that a poor image of energy companies with regard to their efforts to reduce emissions will be problematic for themselves.
- Changing customer behaviour and demand patterns
- Increase in Energy price volatility and lower grid stability due to changing weather patterns and higher renewables feed in.
- Changes in market design
- GHG emission pricing
- Technological development will support the implementation of Uniper's strategy as a decline in CapEx and higher efficiency could reduce the cost developing a hydrogen economy.

More detail, including an assessment of the impact on the Uniper group can be found on page 123 of the Uniper SE annual report, which can be found here: https://www.uniper.energy/system/files/2024-04/Annual%20Report%202023.pdf

KPIs

The key performance indicators used to assess progress on climate related risks and opportunities are KPIs relating to Greenhouse gas emissions can be found in the directors report above and availability of the stations which can be found in the strategic report on page 5 of this document.

Directors' indemnities

The Company maintains liability insurance for its directors and officers. This is a qualifying third-party indemnity provision for the purposes of the Companies Act 2006. This insurance cover was in force during the year and is still in force at the date of approving the Directors' Report.

Going concern

The Company meets its day-to-day working capital requirements through its cash reserves and inhouse funding from its parent company Uniper SE which operates a cash pool facility. The Company has a balance of £1,504m deposited in the inhouse bank facility. Uniper SE has provided a letter of support to confirm it intends to continue this facility.

At the end of December 2023, Uniper SE had a credit facility of €11.5 billion with KfW, of which €0 billion was utilised. Additionally on 8 March 2024, S&P published another report on Uniper, keeping Uniper's rating unchanged at BBB- with a stable outlook.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

Statement of disclosure of information to the auditors

So far as each of the directors is aware, there is no relevant audit information of which the Company's auditors are unaware and they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Strategic Report, Directors' Report and Financial Statements and the financial statements in accordance with applicable law and regulation.

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, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent;
- and prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approved by the Board of Directors on 9 August 2024 and signed on its behalf by:

M Bayes
Director

Uniper UK Limited
Company No: 02796628
Compton House
2300 The Crescent
Birmingham Business Park
Birmingham
B37 7YE

Independent auditors' report to the members of Uniper UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, Uniper UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Strategic Report, Directors' Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2023; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Assessing the company's forecast profit, cashflow and funding requirements for the going concern period, factoring in a severe but plausible downside scenario;
- Assessing and challenging the ability of Uniper SE to provide financial support to the company due to the fact that the company is financed by Uniper SE, and is dependent on a letter of support from Uniper SE. During 2022, a stabilisation package was agreed with the Federal Republic of Germany, who as a result became 99% shareholders of the ultimate parent company;

- Discussion with Uniper SE's auditors including consideration of their assessment of Uniper SE's forecast funding headroom and liquidity for the going concern forecast period, including consideration of the impacts of the stabilisation package and its potential for unwind within the going concern period;
- Reviewing Uniper SE's annual and latest externally published results; and
- Assessment of the company's going concern disclosures.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to pensions legislation and Office of Gas and Electricity Markets (Ofgem) regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006 and UK taxation,. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of unusual journal entries or manipulating accounting estimates which could be subject to management bias. Audit procedures performed by the engagement team included:

- Reviewing minutes of meetings of those charged with governance and the internal risk register;
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and

- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness and testing accounting estimates (because of the risk of management bias).

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Richard Kay (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
12 August 2024

UNIPER UK LIMITED
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2023

	Note	2023 £000 000	2022 £000 000
Turnover	3	**6,207**	17,003
Cost of sales		**(6,268)**	(14,888)
Gross (loss)/profit		**(61)**	2,115
Administrative expenses		**(559)**	(438)
Gain/(loss) on Derivative financial instruments		**949**	(422)
Impairment of tangible assets	11	**(131)**	(5)
Impairment reversal of tangible assets	11	**7**	102
Onerous contract provision	20	**-**	17
Restructuring expenses		**8**	-
Total Administrative expenses		**274**	(746)
Other operating income		**312**	544
Operating profit	4	**525**	1,913
Interest receivable and similar income	9	**49**	7
Interest payable and similar expenses	8	**(12)**	(3)
Profit before taxation		**562**	1,917
Tax on profit	10	**(135)**	(395)
Profit for the financial year		**427**	1,522
Other comprehensive (expense)/income			
Items that will not be reclassified to statement of comprehensive income			
Remeasurements of post-employment obligations	22	**(13)**	(45)
Income tax relating to these items	10	**3**	11
Total other comprehensive expense for the year, net of tax		**(10)**	(34)
Total comprehensive income for the year		**417**	1,488

Turnover and operating profit for the year derive wholly from continued operations.

The notes on pages 20 to 45 form an integral part of these financial statements.

UNIPER UK LIMITED
BALANCE SHEET
as at 31 December 2023

	Note	2023 £000 000	2022 £000 000
Fixed assets			
Tangible assets	11	**719**	897
Investment property	12	**2**	2
Investments	13	**-**	-
		721	899
Current assets			
Stocks	14	**124**	325
Debtors: amounts falling due within one year	15	**2,247**	2,714
Debtors: amounts falling due after more than one year	16	**67**	36
Cash at bank and in hand		**3**	6
		2,441	3,081
Creditors: amounts falling due within one year	17	**(582)**	(1,594)
Net current assets		**1,859**	1,487
Total assets less current assets		**2,580**	2,386
Creditors: amounts falling due after more than one year		**(2)**	(2)
Provisions for liabilities	20	**(589)**	(812)
Net assets		**1,989**	1,572
Capital and reserves			
Called up share capital	21	**15**	15
Share premium account	21	**-**	-
Capital contribution		**26**	26
Retained earnings		**1,948**	1,531
Total shareholders' funds		**1,989**	1,572

The financial statements on pages 17 to 45 were approved by the Board of Directors on 9 August 2024 and signed on its behalf by:

M Bayes
Director
Uniper UK Limited
Company No: 02796628

The notes on pages 20 to 45 form an integral part of these financial statements.

UNIPER UK LIMITED
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2023

	Called up share capital £000 000	Capital contribution £000 000	Retained earnings £000 000	Total Shareholders' funds £000 000
At 1 January 2022	15	26	43	84
Profit for the financial year	-	-	1,522	1,522
Other comprehensive loss	-	-	(34)	(34)
At 31 December 2022	15	26	1,531	1,572
Profit for the financial year	-	-	427	427
Other comprehensive loss	-	-	(10)	(10)
At 31 December 2023	**15**	**26**	**1,948**	**1,989**

The notes on pages 20 to 45 form part of these financial statements.

1. Accounting policies

General information

The Company provides capacity and generates electricity through the use of conventional power stations and acts as a holding company providing central support services to other Uniper companies, all operating in the UK.

The Company is a private company limited by shares and is incorporated and domiciled in England. The address of the Company's registered office is Compton House, 2300 The Crescent, Birmingham Business Park, Birmingham, B37 7YE.

Significant accounting policies

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

New standards, amendments and IFRIC interpretations

There are no amendments to the accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2023 that have had a material impact on the Company.

Basis of preparation of financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). These financial statements have been prepared under the going concern basis, historic cost convention as modified by the revaluation of financial instruments held at fair value through profit and loss and in accordance with the Companies Act 2006 as applicable to companies using FRS 101. The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraph 38 of IAS 1, 'Presentation of financial statements' – comparative information requirements in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16, 'Property, plant and equipment';

- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d) (statement of cash flows);
  - 16 (statement of compliance with all IFRS);
  - 38A (requirement for minimum of two primary statements, including cash flow statements);
  - 38B-D (additional comparative information);
  - 40A (requirement for a third balance sheet)
  - 111 (statement of cash flows information); and
  - 134-136 (capital management disclosures).

- The following paragraphs of IFRS 15 'Revenue from contracts from customers'
  - the second sentence of paragraph 110;
  - paragraphs 113(a);
  - 114;
  - 115;
  - 118;
  - 119(a) to (c);
  - 120 to 127 and 129

- The requirements of IAS 7 Statement of Cash Flows

- The requirements of Paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)

1. Accounting policies (continued)

- The requirements of Paragraph 17 of IAS 24 Related Party Disclosures (key management compensation)
- The requirements of IFRS 7 Financial Instruments: Disclosures
- The requirements of IFRS 10 Consolidated Financial statements
- The requirements of paragraphs 91 to 99 of IFRS 13 Fair value measurement (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- The requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share based payments (details of the number and weighted average exercise prices of share options and how the fair value of goods or services received was determined)
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 "Impairment of assets" (disclosures when the recoverable amount is fair value less cost of disposal, assumptions involved in estimating recoverable amounts of cash-generating units goodwill or intangible assets with indefinite useful lives, and management's approach to determining these amounts).
- The requirements of IAS 12 Income Taxes – International Tax Reform: Pillar Two Model Rules:
  - The Uniper Group has elected to apply the exemption from accounting for deferred taxes associated with Pillar Two taxes on earnings
  - The Company has also taken advantage of the disclosure exemptions regarding the requirements of paragraphs 88C and 88D of IAS 12 on the basis that equivalent disclosures are included in the consolidated financial statements of the Group.

Exemption from preparing group financial statements

The Company is a wholly owned subsidiary undertaking of Uniper SE, the ultimate parent undertaking, and is included in the publicly available consolidated financial statements of Uniper SE. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of Section 400 of the Companies Act 2006.

These Company's financial statements present information about it as an individual undertaking and not about its group.

Related party transactions

The Company is exempt from the requirements of IAS 24 'Related Party Disclosures' to disclose related party transactions with wholly owned entities that are part of the Uniper SE group or investees of the Uniper SE group.

Going concern

The Company meets its day-to-day working capital requirements through its cash reserves and inhouse funding from its parent company Uniper SE which operates a cash pool facility. The Company has a balance of £1,497m deposited in the inhouse bank facility. Uniper SE has provided a letter of support to confirm it intends to continue this facility.

At the end of December 2023, Uniper SE had a credit facility of €11.5 billion with KfW, of which €0 billion was utilised. Additionally on 8 March 2024, S&P published another report on Uniper, keeping Uniper's rating unchanged at BBB- with a stable outlook.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

Turnover

Turnover generated by the Company during the year arose from generation sources representing capacity fees received for making plant available to customers. Capacity fees are recognised over the period for which plant is made available for use, which happens over time. Under the transfer pricing agreement with UGC, income is received for ancillary services provided to National Grid as well as income from hedges on commodities. Ancillary service income is recognised on provision of the service, which happens over time. Hedge income is based on market prices and recognised as deals mature. UGC provide monthly invoices detailing the turnover to be recognised and these are settled 20 days after month end. Turnover excludes value added tax.

1. Accounting policies (continued)

Other operating income

Other operating income comprises income from recharges to other group companies, services provided to a third party for non-generation services and coal swaps. The income is recognised in the profit and loss account in the period to which it relates.

Accrued income

Income recognised in advance of receipt is debited to an accrued income account and is recognised in the profit and loss account in the period to which it relates.

Corporation tax

The tax expense/credit for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current tax charge/credit is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income.

Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company and are initially measured on a present value basis. The corresponding rental obligations are included in creditors (short and long term). The right-of-use asset is depreciated over the asset's useful life, or the lease term, whichever is shorter. Finance costs are charged to the statement of comprehensive income over the period of the lease.
Lease liabilities include the net present value of fixed payments less any lease incentives receivable, variable lease payments that are based on an index or rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Company's incremental borrowing rate

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs and restoration costs.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in the statement of comprehensive income. Short-term leases are leases with a lease term of 12 months or less.

Pensions

Defined contribution scheme

Payments to defined contribution schemes are charged against profits as incurred. The Company has no further payment obligation once contributions have been paid. Contributions are recognised in the profit and loss account as employee costs when they are due and prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in the future payments is available.

Defined benefit scheme

The Company also contributes to a funded group defined benefit pension scheme operated by the Company, the assets of which are invested in a separate trustee-administered fund.

The asset or liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period, less the fair value of plan assets. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In the case of an asset, pension surpluses can be recognized in full as an asset since the Company has both an unconditional right to a refund of any surplus when the Scheme is wound up and to a limited extent an entitlement to a reduction in future contributions.

1. Accounting policies (continued)

The most recent actuarial valuation of the scheme took place 31 March 2022 which showed a funding shortfall of £18.8m. To eliminate the funding shortfall, the Trustee and the participating employer, Uniper UK Limited, have agreed that additional contributions (i.e. contributions over and above those needed to cover benefits being earned in the future) will be paid to the Group by the Participating Employers as follows:

One off payment – paid 31 August 2023	£5.3m
*Guaranteed payments payable quarterly from 1 July 2023 to 31 March 2025	7 instalments of £5.3m

*The payments made under the Recovery Plan sum to an amount greater than the deficit in recognition of the deterioration of the Group's funding position which occurred after the effective date of the valuation. An approximate assessment by the Scheme Actuary of the Group's funding position as at 31 January 2023 revealed a funding shortfall (technical provisions minus value of assets) of £61.8M.

In the event that certain conditions in relation to the funding level of the Group are met then additional quarterly contributions of up to £5.36M will be made to the Group by the end of each quarterly period between 1 April 2025 and 31 March 2026. Each contribution will be paid if the Scheme Actuary advises that the Group is below 100% funded on the last working day of the previous quarter based on the assumptions used for 31 March 2022 actuarial valuation, updated to reflect current interest rates and inflation rates.

Under this recovery plan, if the assumptions made are borne out in practice the funding shortfall will be eliminated in 2 years 6 months from the effective date of the valuation which is by 30 September 2024. The assumptions are:

a. technical provisions will continue to be calculated according to the method and assumptions set out in the statement of funding principles dated 24 August 2023, with financial conditions unchanged from those at the valuation effective date
b. Group experience will be in line with the assumptions underlying the technical provisions.

Share-based payments

Certain senior management personnel participate in cash settled share-based payment schemes administered by Uniper SE. One scheme is currently relevant to the Company – being the Share Performance Plan. The Company accounts for this scheme in accordance with IFRS 2 "Share–based payment". The liability is measured initially and at each reporting date, based on fair value, taking into account rights granted and service rendered to date. Costs are recognised in the statement of comprehensive income over the expected vesting period.

Provisions

Provisions are recognised in the balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Future operating costs are not provided for.

A provision for restructuring is recognised when the Company has approved a detailed and formal restructuring plan, and the restructuring has either, commenced or has been announced to those affected by it.

A shortfall in emission rights is recognised within other provisions at closing market value for any unhedged amounts and cost for the amounts prepaid. The expenses incurred for the consumption of emission rights are reported under cost of sales.

Tangible assets

Tangible assets are stated at original cost less accumulated depreciation and any provision for impairment. 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. Land and buildings and plant and machinery relate primarily to generating assets.

1. Accounting policies (continued)

Major assets in the course of construction are included in tangible fixed assets on the basis of expenditure incurred at the balance sheet date. In the case of assets constructed by the Company, directly related overheads and commissioning costs are included in cost. Where borrowings are used to finance the construction of a major capital project with a long period of development, interest payable is capitalised as part of the cost of the asset and written off over the economic useful life of the asset. Where specific borrowings are used, the amount capitalised is based on actual interest payable. Where general borrowings are used, the amount capitalised is based on the weighted average cost of capital of the Uniper SE group not exceeding the actual expenditure incurred during the relevant period of construction.

Depreciation is provided on tangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Freehold land and buildings	Straight-line basis over 25-40 years
Plant and machinery	Straight-line basis over 35-40 years
Fixtures and fittings	Straight-line basis over 3-40 years
Leased right of use assets	Straight-line basis over 1-8 years

Estimated useful lives are reviewed annually. No depreciation is provided on freehold land or assets in the course of construction.

Overhaul of generation plant

Major periodic overhaul, costs on generation plant are capitalised as part of generating assets and depreciated on a straight-line basis over their useful economic life, typically the period until the next major overhaul. That period is usually four years.

Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at cost less accumulated depreciation.

Investment in subsidiary undertakings

Investments in subsidiary undertakings are held at cost less accumulated impairment losses.

Impairment

Impairments are recognised in the profit and loss account and, where material, are disclosed separately. See note 2 for further information regarding critical judgments for impairments.

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow-moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs. In general, stocks are recognised in the profit and loss account on a weighted average cost basis. The Companies Act 2006 requires stocks to be categorised between raw materials, work in progress and finished goods. Fuel stocks and stores are considered to be raw materials under this definition.

Financial instruments

The Company's financial risk management policies are consistent with those of the Uniper SE group and are described in the Uniper SE's group Financial Statements.

Debt instruments

All borrowings are initially stated at the fair value of consideration received after deduction of directly attributable transaction costs. The issue costs and interest payable on bonds are charged to the profit and loss account at a constant rate over the life of the bond. Any premium or discount arising on the early repayment of borrowings is written off to the profit and loss account as incurred or received.

1. Accounting policies (continued)

Derivative instruments

The Company uses a range of derivative instruments, cross-currency swaps, energy-based options and futures contracts and foreign exchange contracts. Derivative instruments are used for hedging purposes, apart from, certain energy-based options and futures contracts, which are used for trading purposes.

See note 17 for further details of the fair values of the financial instruments.

Derivative instruments are recorded as either assets or liabilities in the balance sheet and measured at fair value. Changes in the fair value of derivatives that do not qualify for hedge accounting are recognised in the profit and loss account as they arise.

Derivatives embedded within other financial instruments or host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not carried at fair value in their entirety.

Inter-company balances

Inter-company payable and receivable trading balances within the Uniper SE group are consolidated at each period end into a single balance with each group company. These transactions are net settled. As a result, the directors consider it appropriate to present inter-company balances within these financial statements on a net basis. Formal loan balances are settled and presented gross. The Company applies the IFRS 9 simplified approach to measuring expected credit losses, which uses an expected lifetime expected credit loss allowance for intercompany receivables (see note 18).

Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the balance sheet, when the Company has a legally enforceable right to set off the recognised amounts and it intends either to settle on a net basis or realise the asset and settle the liability simultaneously.

Decommissioning costs

The fair value of a liability arising from the decommissioning of an asset is recognised in the period in which the asset is commissioned and when a reasonable estimate of the fair value can be made. When the provision is recorded, the Company capitalises the costs of the provision by increasing the carrying amount of the tangible fixed assets. In subsequent periods, the provision is accreted through the profit and loss account to its present value and the carrying amount of the asset is depreciated over its useful life. Changes to estimates arise, particularly when there are deviations from original cost estimates or changes to the payment schedule or the level of relevant obligation. The provision must be adjusted in the case of both negative and positive changes to estimates. Such an adjustment is usually affected through a corresponding adjustment to tangible fixed assets and is not recognised directly in the Statement of Comprehensive income.

Proceeds from the sale of scrap metal will be recognised in the statement of comprehensive income in the period the sales are made.

Cash and short-term deposits

Short-term deposits include cash at bank and in hand.

Foreign currency

These financial statements are presented in Great British Pounds ("GBP") which is the Company's functional currency. All financial information is presented in GBP and has been rounded to the nearest million. Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

1. Accounting policies (continued)

Deferred tax

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.
Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis (see further consideration in note 16 on recovery of deferred tax assets).

Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Creditors are presented as amounts falling due within one year unless payment is not due within 12 months after the reporting period.

Rounding of amounts
All amounts in the financial statements and notes have been rounded off to the nearest £million, unless otherwise stated.

2. Critical accounting estimates and judgements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of incomes and expenses during the reporting year. These judgements are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements.

Critical accounting estimates and assumptions

Areas of significant judgement in application of accounting policies and critical accounting estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Impairment and impairment reversal of tangible assets

Impairment tests are based on respective remaining useful life and on other plant-specific valuation parameters. Appropriate compensation elements are considered by means of scenario evaluations, to include elements such as capacity market auction results and commodity prices. Recoverable amount is defined as the higher of fair value less costs to sell and estimated value in use at the date the impairment review is undertaken. The recoverable amounts were calculated as fair values.

Significant judgements, as detailed above, are required in determining the fair value as this represents the value in use, discounted using a post-tax discount rate of 6.89% (2022: 6.54%) that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Where such an asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the income generating unit.

There were impairments of £131million and reversal of impairments of £7 million in the year (see note 11).

2. Critical accounting estimates and judgements (continued)

Decommissioning costs

Significant judgements and estimates are made about the costs of decommissioning the Company's power stations at the end of their useful lives. The estimated costs of decommissioning and subsequent site restoration are reviewed periodically, and a provision is made for the estimated decommissioning cost at the balance sheet date. The payment dates of total expected future decommissioning costs are uncertain and dependent on the lives of the power stations. The closure dates of the power stations are the basis used for discounting. Government proposals to bring forward coal power station closures by a year are monitored closely by the Company and decommissioning closure dates will be updated when a Governmental decision is made.

Defined benefit pension assumptions

The Company's actuaries provide a report which sets out their advice to the Company to help reach a decision on the assumptions to be used to produce pension cost information in relation to the Uniper Group of the ESPS ("the Scheme") under International Accounting Standard IAS 19.

The economic and demographic assumptions used for the purpose of compliance with IAS 19 are selected by the Directors of the Company and are required to be individually a best estimate and mutually compatible. The actuaries have taken best estimate to mean that there is an even chance that assumptions will over or underestimate future experience over the medium to long term.

Any assumptions that are affected by economic conditions (financial assumptions) should be based on market expectations, at the balance sheet date, for the period over which the obligations are settled. The specific actuarial assumptions of the scheme and the sensitivity analysis are included within note 22.

Critical accounting estimates and judgements in applying the entity's accounting policies

Current and Deferred Tax

Significant judgement is required in determining the Company's provision for corporation taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised and relates to future capital allowances, decommissioning, other provisions (see Note 16). Significant estimation is involved in assessing the recoverability of the Deferred tax asset and management uses the profit forecasts in a consistent manner with the impairment testing of the tangible assets (see page 26) to determine the recovery period over the whole useful economic life of the tangible assets. The assessment of the ability to utilise the deferred tax is dependent on profit forecasts which include various key estimates such as the useful economic life of the assets, annual output of the plants, short, medium- and long-term commodity prices and the future cost profile of the business; any decreases within the profit forecasts may reduce the proportion of the tax attributes that can be utilised.

Emissions trading scheme

The Company has been subject to the UK Emissions Trading Scheme since 1 January 2021. The Company has adopted an accounting policy which recognises a shortfall in emissions rights within provisions. Expenses incurred for the consumption of emission rights are reported in cost of sales. Forward contracts for sales and purchases of allowances are measured at fair value.

3. Turnover

Turnover generated by the Company during the year arose from generation sources representing capacity fees received for making plant available to customers. Capacity fees are recognised over the period for which plant is made available for use, which happens over time. Under the transfer pricing agreement with UGC, income is received for ancillary services provided to National Grid as well as income from hedges on commodities. Ancillary service income is recognised on provision of the service, which happens over time. Hedge income is based on market prices and recognised as deals mature. UGC provide monthly invoices detailing the turnover to be recognised and these are settled 20 days after month end. The Company's turnover, all of which arises in the course of the Company's principal activity, arises in the UK and Europe.

Turnover by destination:

	2023 £000 000	2022 £000 000
UK	**362**	416
Europe	**5,845**	16,587
Total	**6,207**	17,003

The turnover in respect of Europe relates to sales to Uniper Global Commodities SE.

4. Operating profit/(loss)

Operating loss is stated after charging/(crediting):

	2023 £000 000	2022 £000 000
Staff costs (note 6)	**89**	57
Short term leases	**2**	2
Depreciation of owned assets (note 11)	**171**	102
Depreciation of leased assets (note 11)	**1**	1
Derivative instrument (gains)/losses	**(949)**	422
Impairment of tangible assets (note 11)	**131**	5
Impairment reversal of tangible assets (note 11)	**(7)**	(102)
Impairment of inventory (included in cost of sales)	**21**	-
Stores inventory recognised as an expense	**2**	2
Other operating income	**(312)**	(544)

Short term lease expense during the year relates to short term leases not capitalised under IFRS 16 which amounted to £2,096,000 (2022: £1,903,000).

Derivative instrument gains and losses in the year continue to be influenced by volatility in prices during the year, as they are revalued to mark to market in the interim period before they mature. Other operating income comprises income from recharges to other group companies, services provided to a third party for non-generational services and coal swaps.

5. Auditors' remuneration

Auditors' remuneration of £400,344 (2022: £383,741) was charged for the audit of these financial statements, of which £18,000 (2022: £18,000) related to the audit of subsidiary companies which was not recharged. The Company incurred fees of £30,000 (2022: £30,000) in relation to audit-related assurance services. The Company incurred fees of £nil (2022: £nil) for access to technical resource platform "Viewpoint". No other fees were paid.

6. Employee information

The monthly average number of persons employed by the Company (including directors) and whose costs were not recharged to other companies during the year analysed by category, was as follows:

	2023 No.	2022 No.
Production	**423**	427
Administration and support	**201**	185
	624	612

The following salaries and related costs of employees, including directors and key management, were incurred during the year:

	2023 £000 000	2022 £000 000
Wages and salaries	**55**	43
Social security costs	**7**	6
Other pension costs	**32**	10
	94	59
Less: capitalised in fixed assets	**(2)**	(2)
Less: Pension costs recharged	**(3)**	-
	89	57

7. Directors' remuneration

The directors' remuneration for the year was as follows:

	2023 £	2022 £
Aggregate emoluments (including benefits in kind)	**308,360**	214,591

The above amounts relate to two directors (2022: two) who were remunerated by the Company.

During the year, the number of directors who were receiving benefits and share incentives was as follows:

	2023 No.	2022 No.
Received or were entitled to receive shares under long term incentive schemes	**-**	-
Accruing benefits under a defined contribution pension scheme	**-**	-
Accruing benefits under a defined benefit pension scheme	**2**	2

During the year, no directors (2022: no) exercised Performance Rights over shares in Uniper SE, that they were awarded for past services to the Uniper SE group under Long Term Incentive (LTI) arrangements. Total payments under the LTI were £nil (2022: £nil).

7. Directors' remuneration (continued)

In respect of the highest paid director:

	2023 £	2022 £
Aggregate emoluments	**155,119**	111,721
Long term incentive payments	**-**	-
Lifetime defined benefit accrued pension entitlement at the year end	**33,271**	30,392

8. Interest payable and similar expenses

	2023 £000 000	2022 £000 000
Interest payable to group undertakings	**4**	1
Interest provision unwind	**6**	2
Other interest payable	**2**	-
	12	3

9. Interest receivable and similar income

	2023 £000 000	2022 £000 000
Interest receivable from group undertakings	**46**	3
Other interest receivable	**-**	1
Interest receivable from leases	**3**	3
	49	7

10. Tax on profit

	2023 £000 000	2022 £000 000
Current tax		
UK corporation tax on profit for the year	**178**	94
Adjustment in respect of prior periods	**1**	-
Total current tax charge	**179**	94
Deferred tax		
Origination and reversal of timing differences	**(43)**	302
Adjustment in respect of prior periods	**(1)**	(1)
Total deferred tax (credit)/charge	**(44)**	301
Total tax on profit on ordinary activities	**135**	395

Tax on Other Comprehensive Income/Expense

Tax (income)/expense included in other comprehensive income/expense consists of:

	2023 £000 000	2022 £000 000
Deferred tax: origination and reversal of timing differences	**(3)**	(11)
Tax on Other Comprehensive Income/Expense	**(3)**	(11)

Tax charge (2022: charge) for the year is higher than (2022: higher than) the standard rate of corporation tax in the UK for the year ended 31 December 2023 of 23.5% (2022: 19%). The differences are explained below:

	2023 £000 000	2022 £000 000
Profit/(loss) before taxation	**562**	1,917
Profit/(loss) multiplied by the standard rate of tax in the UK of 23.5% (2022: 19%)	**132**	364
Effects of:		
Expenses not deductible for tax purposes	**1**	-
Impact of difference between current and deferred tax rates	**2**	32
Adjustment in respect of prior periods – current tax	**1**	-
Adjustment in respect of prior periods – deferred tax	**(1)**	(1)
Total tax charge for the year	**135**	395

In the spring budget 2021, the Government proposed to increase the corporation tax rate to 25% from 1 April 2023. This law was enacted on 10 June 2021 and its effects are included in the financial statements.

The corporation tax payable (2022: payable) has been reduced by £3,134,000 because of group relief received from a fellow group undertaking for which a payment will be made (2022: £nil).

10. Tax on profit (continued)

Amendments to IAS 12 - International Tax Reform: Pillar Two Model Rules

The Uniper Group is covered by the scope of global minimum taxation pursuant to the OECD's Pillar Two model rules. The UK legislation was substantively enacted on 20 June 2023. The Group has elected to apply the exemption from accounting for deferred taxes associated with Pillar Two taxes on earnings, which was introduced by the amendments to IAS 12 issued in May 2023. The amendments clarify that the effects arising from the implementation of the Pillar Two model rules are covered by the scope of IAS 12 in principle but are temporarily excluded from the requirement to account for deferred taxes. The Company has also taken advantage of the disclosure exemptions regarding the requirements of paragraphs 88C and 88D of IAS 12 on the basis that equivalent disclosures are included in the consolidated financial statements of the Group.

11. Tangible assets

	Freehold land and buildings £000 000	Leased right of use assets £000 000	Plant and machinery £000 000	Fixtures and fittings £000 000	Assets in the Course of Construction £000 000	Total £000 000
Cost						
At 1 January 2023	51	7	1,578	3	125	1,764
Additions	5	-	111	2	3	121
Disposals	-	-	(78)	(1)	-	(79)
Transfers	-	-	107	1	(110)	(2)
At 31 December 2023	**56**	**7**	**1,718**	**5**	**18**	**1,804**
Accumulated depreciation						
At 1 January 2023	9	4	844	2	8	867
Charge for the year	5	1	166	-	-	172
Impairment	5	-	126	-	-	131
Reversal of impairment	-	-	(7)	-	-	(7)
Disposals	-	-	(78)	-	-	(78)
At 31 December 2023	**19**	**5**	**1,051**	**2**	**8**	**1,085**
Net book value						
At 31 December 2023	**37**	**2**	**667**	**3**	**10**	**719**
At 31 December 2022	42	3	734	1	117	897

The closing net book value of plant and machinery include acquired capitalised finance costs of £54 million (2022: £57 million) with accumulated depreciation of £19 million (2022: £16 million), there have been no additions in the year. Also included in the closing net book value of land and buildings is £4 million (2022: £10 million) plant and machinery is £20 million (2022: £44 million) related to assets associated with the costs of decommissioning. Additions includes capitalised salary costs of £2 million (2022: £2 million).

Transfers include capital expenditure amounts transferred to lease receivable of £2 million (2022: £38 million).

12. Investment property

	Total £000 000
Cost	
At 1 January 2023 and 31 December 2023	4
Accumulated depreciation	
At 1 January 2023	2
Charge for the year	-
At 31 December 2023	**2**
Net book value	
At 31 December 2023	**2**
At 31 December 2022	2

The Company owns an office building within the Ratcliffe power station site which is occupied entirely by a fellow group undertaking. This building is held as an investment property under the cost model.

There are no restrictions on the realisability of the investment property. The property is depreciated based on a straight-line basis over 25-40 years. The fair value of the property cannot be determined due to a lack of comparable properties within a comparable location.

13. Investments

Shares in subsidiary undertakings amounted to £1,024 (2022: £1,024) and other investments amounted to £22,000 (2022: £22,000) and related to Electricity Pension Trustees Limited ("EPTL"). EPTL is the overarching Trustee of the Electricity Supply Pension Scheme (the Scheme is two tier, with each of the main electricity companies then having their own independent group as the second tier). The Company has a group of the industry wide scheme, the Uniper Group of the Electricity Supply Pension Scheme ("ESPS").

In order to establish an ESPS group and join, a new employer must become a shareholder by subscribing for 22,000 £1 shares at par. This is then immediately loaned back to the shareholder. If EPTL is subsequently wound up, the loan is recalled, and shareholders are repaid their original subscription. The registered address of EPTL is 42-50 Hersham Road, Walton-on-Thames, Surrey, KT12 1RZ.

13. Investments (continued)

Details of subsidiary undertakings

Details of the investments which the Company holds and wholly owned are as follows:

Undertaking	Holding	Proportion of voting rights and shares held	Principal activity
Uniper UK Corby Limited	Ordinary shares	100% / 100% share	Historical holding company
Registered address: Compton House, 2300 The Crescent, Birmingham Business Park, Birmingham, B37 7YE			
Uniper UK Cottam Limited	Ordinary shares	100% / 100% share	Dormant
Registered address: Compton House, 2300 The Crescent, Birmingham Business Park, Birmingham, B37 7YE			
Uniper UK Gas Limited	Ordinary shares	100% / 100% share	Operation & management of pipeline
Registered address: Compton House, 2300 The Crescent, Birmingham Business Park, Birmingham, B37 7YE			
Uniper UK Ironbridge Limited	Ordinary shares	100% / 100% share	Ownership of power station & associated generation assets until sale of site in June 2018
Registered address: Compton House, 2300 The Crescent, Birmingham Business Park, Birmingham, B37 7YE			
Holford Gas Storage Limited	Ordinary shares	100% / 100% share	Commercial operation of natural gas storage facility
Registered address: Compton House, 2300 The Crescent, Birmingham Business Park, Birmingham, B37 7YE			
Uniper UK Trustees Limited	Limited by guarantee	100%	Acts as a corporate trustee
Registered address: Compton House, 2300 The Crescent, Birmingham Business Park, Birmingham, B37 7YE			
Uniper Energy Limited	Ordinary shares	100% / 100% share	Dormant
Registered address: Compton House, 2300 The Crescent, Birmingham Business Park, Birmingham, B37 7YE			

All of the undertakings disclosed above are incorporated in the United Kingdom.

14. Stocks

	2023 £000 000	2022 £000 000
Fuel stocks	**103**	304
Stores	**21**	21
	124	325

Stores are stated after provisions for impairment of £19 million (2022: £17 million). During the year stores inventory recognised as an expense was £2 million, which related primarily to Connahs Quay, Grain and Ratcliffe power station (2022: £2 million). Fuel stock is stated after provisions for impairment of £21 million (2022: £nil million).
There is no significant difference between the carrying amount of inventory and their replacement cost.

15. Debtors: amounts falling due within one year

	2023 £000 000	2022 £000 000
Trade receivables	**2**	21
Credit loss provision	**-**	(1)
Amounts owed by group undertakings	**1,510**	989
Commodity and other derivative financial instruments (note 18)	**612**	1,611
Accrued income	**63**	63
Other debtors	**49**	24
Lease receivable	**11**	7
	2,247	2,714

Amounts owed by group undertakings include:

A deposit from Uniper SE of £1,504 million (2022: £492 million) which is unsecured, bears interest at SONIA minus 3 basis points and has a loan facility of £400 million.

All other amounts owed by group undertakings are unsecured and repayable on demand.

Commodity and other derivative financial instruments are due from group undertakings, are unsecured and repayable upon maturity (see note 18 for more information). Accrued income is related to contract assets.

Lease receivable

The lease receivable is an asset being utilised by National Grid and has been identified as a finance lease.

The minimum undiscounted lease payments receivable are:

	2023 £000 000	2022 £000 000
In one year	**11**	10
In two to five years	**15**	30
Over five years	**-**	-

16. Debtors: amounts falling due after more than one year

	2023 £000 000	2022 £000 000
Deferred tax	**52**	5
Lease receivable	**15**	25
Other debtors	**-**	6
	67	36

Deferred tax

The deferred tax asset comprises:

	2023 £000 000	2022 £000 000
Decelerated capital allowances	**69**	49
Other timing differences - other provisions	**(56)**	(76)
Other timing differences - decommissioning provision	**39**	32
	52	5

Analysis of deferred tax

The opening and closing deferred tax positions can be reconciled as follows:

	2023 £000 000	2022 £000 000
Deferred tax asset at 1 January	**5**	295
Deferred tax credit/(charge) to profit and loss account (note 10)	**44**	(301)
Deferred tax credit to other comprehensive income	**3**	11
Deferred tax asset at 31 December	**52**	5

A net deferred tax asset of £52 million (2022: £5 million) was recognised in relation to future capital allowances and provisions, as we conclude it is probable that the business will continue to generate taxable profits in the future against which we can utilise these tax attributes. Management has used the profit forecasts in a consistent manner with the impairment testing. The ability to utilise the deferred tax asset is dependent on the useful economic life of the assets and any decreases to this or the profit profile may reduce the proportion of the tax attribute that can be utilised.

In the spring budget 2021, the Government proposed to increase the corporation tax rate to 25% from 1 April 2023. This law was enacted on 10 June 2021 and its effects are included in the financial statements. There are no unused tax losses or tax credits.

17. Creditors: amounts falling due within one year

	2023 £000 000	2022 £000 000
Trade payables	**12**	14
Amounts owed to group undertakings	**125**	87
Other taxation and social security	**22**	39
Accruals and deferred income	**44**	66
Commodity and other derivative financial instruments (note 18)	**375**	1,311
Other creditors	**4**	77
	582	1,594

Amounts owed to group undertakings include:

A deposit from Uniper Energy Trading UK Staff Company Limited of £3 million (2022: £3 million) which is unsecured, bears interest at SONIA minus 3 basis points and has a facility of £5 million.

A deposit from Uniper UK Gas Limited of £29 million (2022: £25 million) which is unsecured, bears interest payable at SONIA minus 3 basis points and is a drawdown of a credit facility of £25 million.

A deposit from Uniper UK Ironbridge Limited of £7 million (2022: £7 million) which is unsecured, bears interest payable at SONIA minus 3 basis points and has a facility of £10 million.

A deposit from Holford Gas Storage Limited of £14 million (2022: £16 million) which is unsecured, bears interest payable at SONIA minus 3 basis points and has a facility of £25 million.

A deposit from Uniper Global Commodities London Limited of £11 million (2022: £7 million) which is unsecured, bears interest payable at SONIA minus 3 basis points and has a facility of £25 million.

Commodity and other derivative financial instruments are owed to group undertakings, are unsecured and repayable upon maturity (see note 18 for more information).

All other amounts are unsecured and repayable on demand.

18. Financial instruments

Amounts recognised in respect of derivative financial instruments are as follows:

	Assets		Liabilities	
	2023	2022	**2023**	2022
	£000 000	£000 000	**£000 000**	£000 000
Commodity forward contracts	**612**	1,611	**(375)**	(1,311)

Derivative financial instruments are classified within current assets and current liabilities. The fair value of these derivatives is equivalent to the carrying value. The above-mentioned instruments are expected to mature within 1 month to 2 years.

The notional principal amounts of derivatives are as follows:

	2023	2022
	£000 000	£000 000
Commodity forward contracts	**(917)**	(1,104)

The following is a summary of the methods and assumptions for the valuation of derivative financial instruments:

- Currency, electricity, gas, oil and coal forward contracts and swaps, and emissions-related derivatives are valued separately at their forward rates and prices as of the balance sheet date. Whenever possible, forward rates and prices are based on market quotations, with any applicable forward premiums and discounts taken into consideration.
- Market prices for electricity and gas options are determined using standard market pricing models. The fair values of caps, floors and collars are determined using quoted market prices or on the basis of option pricing models.

19. Additional disclosures on financial instruments

The carrying amounts of cash and cash equivalents, borrowings under short-term credit facilities, trade receivables, other operating assets, trade payables and other operating liabilities are considered reasonable estimates of their fair values because of their short maturity.

The Company adopted the IFRS 9 expected credit loss model, which is applied to trade receivables, intercompany receivables and other operating assets. The Company applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected credit loss allowance for these receivables. At the year end, the Company has a provision of £385,000 for trade receivables, other operating assets and intercompany receivables (2022: £1,318,000) and a provision of £121,000 (2022: £1,000) relating to the lease receivable.

20. Provisions for liabilities

	Post employment benefits £000 000	Emissions obligations £000 000	Decommissioning provision £000 000	Restructuring provision £000 000	Other provisions £000 000	Total £000 000
At 1 January 2023	6	661	130	-	15	**812**
Charged to the statement of comprehensive income	31	392	25	8	6	**462**
Utilised during the year	-	(661)	-	-	-	**(661)**
Accretion of discount	-	-	6	-	-	**6**
Effect of discount rate changes	-	-	(4)	-	-	**(4)**
Released	-	-	-	-	(6)	**(6)**
Charge to OCI	13	-	-	-	-	**13**
Contributions	(33)	-	-	-	-	**(33)**
At 31 December 2023	**17**	**392**	**157**	**8**	**15**	**589**

Decommissioning provisions comprise amounts set aside for the estimated costs of terminating power station grid connections, decommissioning and subsequent site restoration costs at UK power stations which will be utilised as each power station closes. Current estimates of end dates range from 2024 through to 2050.

Emissions obligations provisions represent amounts payable to national authorities for emissions made during the year. Emission obligations are settled on an annual basis. Settlement was completed in April 2024.

Other provisions relate to an onerous contract provision, various legal provisions, land contamination and a dilapidation provision for Compton House.

The restructuring provision relates to the upcoming closure of the Ratcliffe coal fired power station.

Further details on post-employment benefits are provided in note 22.

21. Called up share capital

Allotted and fully paid

	2023 £000 000	2022 £000 000
15,000,000 (2022: 15,000,000) ordinary shares of £1 each	**15**	15
	15	15

22. Post-employment benefits

Defined contribution scheme

The Company operates a defined contribution retirement benefit scheme for all qualifying employees not already a pension scheme member and for new employees joining the Company. The assets of the scheme are held separately from those of the Company in an independent administered fund held by the individual members. The total cost charged to the profit and loss account of £5,351,000 (2022: £4,840,000) represents contributions payable to these schemes by the Company at rates specified in the rules of the plan.

The amount outstanding at 31 December 2023, included within other creditors, relating to pension contributions to this scheme was £347,000 (2022: £273,000). This related to the contributions for December 2023 which were paid in January 2024.

Defined benefit schemes

At 31 December 2023, the main Company pension scheme is the Uniper UK group of the Electricity Supply Pension Scheme ("the Scheme"). This is largely a defined benefit type scheme. An actuarial valuation of the Scheme is normally carried out every three years by the Scheme's independent actuary, who recommends the rates of contribution payable by participating employers. In intervening years, the actuary reviews the continuing appropriateness of the rates.

The most recent actuarial valuation of the scheme took place 31 March 2022 which showed a funding shortfall of £18.8m. To eliminate the funding shortfall, the Trustee and the participating employer, Uniper UK Limited, have agreed that additional contributions (i.e. contributions over and above those needed to cover benefits being earned in the future) will be paid to the Group by the Participating Employers as follows:

One off payment – paid 31 August 2023	£5.3m
*Guaranteed payments payable quarterly from 1 July 2023 to 31 March 2025	7 instalments of £5.3m

*The payments made under the Recovery Plan sum to an amount greater than the deficit in recognition of the deterioration of the Group's funding position which occurred after the effective date of the valuation. An approximate assessment by the Scheme Actuary of the Group's funding position as at 31 January 2023 revealed a funding shortfall (technical provisions minus value of assets) of £61.8M.

In the event that certain conditions in relation to the funding level of the Group are met then additional quarterly contributions of up to £5.36M will be made to the Group by the end of each quarterly period between 1 April 2025 and 31 March 2026. Each contribution will be paid if the Scheme Actuary advises that the Group is below 100% funded on the last working day of the previous quarter based on the assumptions used for 31 March 2022 actuarial valuation, updated to reflect current interest rates and inflation rates.

Under this recovery plan, if the assumptions made are borne out in practice the funding shortfall will be eliminated in 2 years 6 months from the effective date of the valuation which is by 30 September 2024. The assumptions are:

a. technical provisions will continue to be calculated according to the method and assumptions set out in the statement of funding principles dated 24 August 2023, with financial conditions unchanged from those at the valuation effective date
b. Group experience will be in line with the assumptions underlying the technical provisions.

The amount outstanding at 31 December 2023, included within other creditors, relating to pension contributions to the Scheme was £1,032,000 (2022: £3,025,000). This related to the contributions for December 2023 which were paid in January 2024.

The directors believe that the method the actuaries have used is appropriate and in accordance with the provisions in IAS 19.

The Scheme exposes the Company to a number of risks, the most significant of which are:

22. Post-employment benefits (continued)

Asset volatility

The scheme's benefit obligation is calculated using a discount rate set with reference to corporate bond yields. If assets underperform this yield, this will create a deficit.

The scheme holds a significant proportion of growth assets (equities, diversified growth fund and global absolute return fund) which, though expected to outperform corporate bonds in the long-term, create volatility and risk in the short-term. The allocation to growth assets is monitored to ensure it remains appropriate given the scheme's long-term objectives.

Changes in bond yields

A decrease in corporate bond yields will increase the value placed on the scheme's liabilities for accounting purposes, although this will be partially offset by an increase in the value of the scheme's bond holdings.

Inflation risk

The majority of the scheme's DBO is linked to inflation, and higher inflation leads to a higher DBO(although, in most cases, caps on the level of inflationary increases are in place to protect against extreme inflation).

Most of the assets are either unaffected by or only loosely correlated with inflation, meaning that an increase in inflation will also increase the deficit.

Life expectancy

The majority of the scheme's obligations are to provide benefits for the lifetime of the member, so increases in life expectancy will result in an increase in the liabilities.

The amounts recognised in the balance sheet are as follows:

	2023	2022
	£000 000	£000 000
Fair value of plan assets bfwd	**339**	636
Fair value of assets movement in the year	**42**	(297)
	381	339
Present value of funded obligations bfwd	**(345)**	(605)
Present value of funded obligations movement in the year	**(53)**	260
	(398)	(345)
Net (liability)/asset	**(17)**	(6)

22. Post-employment benefits (continued)

Movements in the net defined benefit scheme asset/(liability):

	Present value of obligation		Fair value of plan assets		Net defined (asset)/liability	
	2023 £000 000	2022 £000 000	**2023 £000 000**	2022 £000 000	**2023 £000 000**	2022 £000 000
Balance as 1 January	**(345)**	(605)	**339**	636	**(6)**	31
Included in income statement						
Current service cost	**(11)**	(16)	**-**	-	**(11)**	(16)
Past service cost	**(20)**	2	**-**	-	**(20)**	2
Interest (expense)/income	**(17)**	(13)	**17**	14	**-**	1
Total amount recognised in profit and loss	**(48)**	(27)	**17**	14	**(31)**	(13)
Other						
Contributions paid by employer	**-**	-	**33**	20	**33**	20
Benefits paid	**11**	17	**(11)**	(17)	**-**	-
Total other	**11**	17	**22**	3	**33**	20
Re-measurements						
Return on scheme assets excluding amounts included in interest income	**-**	-	**3**	(314)	**3**	(314)
Actuarial gains due to financial assumptions	**(15)**	279	**-**	-	**(15)**	279
Actuarial gains/(losses) due to liability experience	**(4)**	(11)	**-**	-	**(4)**	(11)
Actuarial gains due to changes in demographic assumptions	**3**	2			**3**	2
Total amount recognised in other comprehensive expense	**(16)**	270	**3**	(314)	**(13)**	(44)
Balance at 31 December	**(398)**	(345)	**381**	339	**(17)**	(6)

Plan assets

	2023 £000 000	2022 £000 000
Cash and cash equivalents	**27**	51
Debt instruments – listed	**54**	57
Debt instruments – not listed	**57**	50
Equity instruments – listed	**39**	19
Equity instruments – not listed	**23**	-
Real Estate	**6**	-
Other	**175**	162
Total	**381**	339

Audited valuations of the invested assets were provided by the actuaries using a bid value of assets.

22. Post-employment benefits (continued)

Actuarial assumptions

The results of the initial funding assessment of the Scheme have been adjusted to the balance sheet date taking account of experience over the period since 31 March 2022, changes in market conditions, and difference in the financial and demographic assumptions. The present value of the defined benefit obligation, and the related current service cost, were measured using the Projected Unit Credit Method by the independent actuaries.

The principal actuarial assumptions used to calculate the defined benefit pension balances under IAS 19 in these financial statements were:

	2023	2022
Duration	**24 years**	24 years
Discount rate	**4.6%**	5.0%
RPI inflation	**3.0%**	3.1%
CPI inflation	**2.8%**	2.5%
Expected rate of salary increases	**2.5%**	3.0%
Expected rate of increase of pensions in payment	**2.8%**	2.9%

Post retirement mortality assumptions use the same base tables as were adopted for the 2022 funding valuation of the Scheme. The base tables were scaled using the Aon Hewitt Longevity Model using best-estimate scaling factors.

These assumptions translate into an average life expectancy in years for a pensioner retiring at age 65:

	2023 Years	2022 Years
Longevity at age 65 for current pensioners		
- Men	**22**	22
- Women	**24**	24
Longevity at age 65 for future pensioners		
- Men	**23**	24
- Women	**26**	26

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarises the impact on the defined benefit obligation at the end of the reporting period as a result of a change in the respective assumptions.

	2023 £000 000	2022 £000 000
Current reported figure – Defined benefit obligation	**398**	344
Following a 0.2% decrease in the discount rate	**411**	356
Following a 0.25% increase in the salary increase assumption	**400**	349
Following a 10% decrease in the mortality rates	**406**	350
Following a 0.25% increase in the pension increase assumption	**409**	353

The sensitivity information shown above has been prepared using the same method as adopted when adjusting the results of the initial funding assessment to the balance sheet date.

22. Post-employment benefits (continued)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

23. Share based payments

The Uniper Group's share-based compensation plans are classified as cash-settled share-based payments. A provision in the amount of the prorated fair value of the payment obligation is recognised as of the balance sheet date. Changes in the fair value are recognised in income. The fair value is determined using accepted financial industry methods. Additional information on the Uniper Performance Cash Plan can be found in the Compensation Report, which is part of the Combined Management report of the Uniper Group.

The amount recharged for 2023 included within creditors amounted to £163,000 (2022: £53,000) and the amount paid was £nil (2022: £nil).

24. Commitments

Purchase commitments

The Company has committed to purchases of £24 million over the next five years (2022: £56 million).

Other commitments

The Company has committed to sell all power generated to Uniper Global Commodities SE "UGC". The volumes generated are at the discretion of UGC and therefore this commitment cannot be quantified.

25. Related party transactions

Transactions with related parties

The Company has taken advantage of the exemption under paragraph 8 (k) of FRS 101 not to disclose any transactions with fellow wholly owned subsidiaries of the Uniper SE group.

There are no transactions to report with the German government.

26. Subsequent events

Capacity Market Auctions

In February 2024 the capacity market T-1 auction took place for the delivery period 2024/25. The clearing price was £35.79 per kilowatt per year. Since all our gas plants and open-cycle gas turbines already hold agreements for the delivery year 2024/25, no Uniper UK units were entered into this auction. Additionally, in February 2024 the capacity market T-4 auction took place for the delivery period 2027/28. The clearing price was £65 per kilowatt per year. All sites were successful in getting agreements in the auction.

Environmental provision

During quarter two of 2024, the Company engaged with external consultants to perform a follow-up review of the environmental provision held. The provision held at 31 December 2023 of £8 million, was originally booked in 2015, and was based on external consultant reports undertaken at that time. Following receipt of the updated report, the total expected costs of works required to rectify contaminated land in the most likely scenario is £27 million. This has led to an additional £19 million subsequently being booked. The increase is due mainly to inflation impact on previous estimates of soil treatment remedial work and further assessment and remediation costs for ground water.

27. Ultimate parent

The immediate parent company is Uniper Holding GmbH, a company registered in Germany whose registered address is Holzstrasse 6, Düsseldorf, 40221 Germany.

The largest and smallest group to consolidate these financial statements is Uniper SE. Copies of Uniper's financial statements are available from the offices of Uniper SE at the following address:

Uniper SE
Holzstraße 6
40221 Düsseldorf
Germany

The ultimate parent undertaking and controlling party is UBG Uniper Beteiligungsholding GmbH, a company incorporated in Germany. It holds 99.12% of Uniper SE and is wholly owned by the Federal Republic of Germany.