

**ABB Investments Limited**

Registered Number 2459099

Report and Financial Statements

31 December 2009



**DIRECTORS**

TJ Gregory  
W McLaughlin

**SECRETARY**

D Benn

**AUDITORS**

Ernst & Young LLP  
No 1 Colmore Square  
Birmingham  
B4 6HQ

**BANKERS**

HSBC Bank plc  
City of London Branch  
60 Queen Victoria Street  
London  
EC4N 4TR

**REGISTERED OFFICE**

Daresbury Park  
Daresbury  
Warrington  
Cheshire  
WA4 4BT

**DIRECTORS' REPORT**

The directors present their report and financial statements for the year ended 31 December 2009

**PRINCIPAL ACTIVITIES**

The company is a member of the ABB Group and is owned by ABB Holdings Limited, a company incorporated in England, the immediate UK parent undertaking

The Company is a holding company for ABB Group interests in associates in the UK

**GOING CONCERN**

The directors consider that the company has adequate resources to continue in operation for the foreseeable future. In forming this view, the directors have reviewed budgets and other financial information. For this reason they continue to adopt the going concern basis in preparing the accounts.

**RESULTS FOR THE YEAR AND FUTURE DEVELOPMENTS**

The results for the year are set out on page 6. The profit for the year after tax was £147,000 (2008: £292,000).

The directors do not recommend payment of a dividend (2008: £nil).

The directors do not expect any significant changes in the future activities of the company.

**DIRECTORS AND THEIR INTERESTS**

The directors who served during the year were:

T J Gregory

W McLaughlin

J T Sinclair (Resigned 23 October 2009)

The directors have no beneficial interest in the shares of the company or other Group companies which require disclosure under the Companies Acts, or in any contracts entered into by the company during the year.

**DISCLOSURE OF INFORMATION TO THE AUDITORS**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

**DIRECTORS' REPORT (*continued*)**

**AUDITORS**


A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting

**DIRECTORS' QUALIFYING THIRD PARTY INDEMNITY PROVISIONS**

The company has granted indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report

**By order of the Board**

**Secretary**



**Date**

26 March 2010

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements the directors are required to

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

The directors are responsible for keeping proper 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABB INVESTMENTS LIMITED**

We have audited the financial statements of ABB Investments Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### ***Respective responsibilities of directors and auditors***

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### ***Scope of the audit of the financial statements***

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### ***Opinion on financial statements***

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABB INVESTMENTS LIMITED (cont'd)**

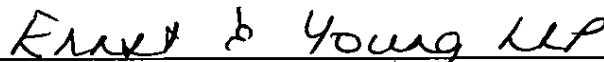
***Opinion on other matter prescribed by the Companies Act 2006***

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

***Matters on which we are required to report by exception***

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

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

  
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**Sue Broughton (Senior statutory auditor)**  
*for and on behalf of Ernst & Young LLP, Statutory Auditor*

**Birmingham**

*Date 26<sup>th</sup> March 2010*

**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 December 2009

	<i>Notes</i>	<i>2009</i> £'000	<i>2008</i> £'000
Other operating income		-	111
Management fee income		63	63
Operating expenses		(11)	-
		<hr/>	<hr/>
<b>NET OPERATING PROFIT BEFORE INTEREST AND TAXATION</b>		52	174
Interest receivable	4	152	235
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		204	409
Tax on profit on ordinary activities	5	(57)	(117)
<b>RETAINED PROFIT FOR THE YEAR</b>	11	147	292
		<hr/>	<hr/>

All operations relate to continuing activities

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

There are no recognised gains or losses other than the profit for the year of £147,000  
(2008 £292,000)



**BALANCE SHEET**  
At 31 December 2009

	<i>Notes</i>	<i>2009</i> £'000	<i>2008</i> £'000
<b>FIXED ASSETS</b>			
Investments	6	<u>100</u>	<u>100</u>
<b>CURRENT ASSETS</b>			
Debtors falling due within one year	7	2,423	2,313
Debtors falling due after more than one year	8	1,000	1,000
		<u>3,423</u>	<u>3,313</u>
<b>CREDITORS</b>			
Amounts falling due within one year	9	<u>(95)</u>	<u>(132)</u>
<b>NET CURRENT ASSETS</b>		<u>3,328</u>	<u>3,181</u>
<b>NET ASSETS</b>		<u>3,428</u>	<u>3,281</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	12	12
Profit and loss account	11	<u>3,416</u>	<u>3,269</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>3,428</u>	<u>3,281</u>

**DIRECTOR**

*A S Gregory*

**Date**

*26.3.10*

**NOTES TO THE FINANCIAL STATEMENTS**

at 31 December 2009

**1. ACCOUNTING POLICIES*****Basis of preparation***

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The financial statements were approved for issue by the Board of Directors on 26 March 2010

***Deferred taxation***

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the exception that deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

***Group Accounting***

Consolidated accounts have not been prepared as the company qualifies for the exemption under S400 of the Companies Act 2006 on the grounds that the company is included in the consolidated accounts of its ultimate parent, ABB Limited

***Investments***

Investments are shown at the lower of cost or recoverable amount

***Cash flow statement***

A statement of cash flows in accordance with FRS 1 (revised) has not been prepared as the company is a wholly owned subsidiary of ABB Ltd incorporated in Switzerland which presents a cash flow within its consolidated accounts

**NOTES TO THE FINANCIAL STATEMENTS**  
at 31 December 2009

**2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

This is stated after charging

	2009 £'000	2008 £'000
Auditors remuneration – for audit services	<u>-</u>	<u>3</u>

**3. DIRECTORS' REMUNERATION**

All of the directors of the Company are employees of a fellow subsidiary. No director received any remuneration for their services as directors of the company, which are deemed to be incidental to their wider UK management roles.

**4. INTEREST RECEIVABLE**

	2009 £'000	2008 £'000
Interest receivable from group undertaking	14	93
Interest receivable from associated undertaking	<u>138</u>	<u>142</u>
	<u>152</u>	<u>235</u>

**5. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2009 £'000	2008 £'000
The tax charge is made up as follows		
UK Corporation tax	<u>57</u>	<u>117</u>
Total current tax	<u>57</u>	<u>117</u>
Tax on profit on ordinary activities	<u>57</u>	<u>117</u>

**NOTES TO THE FINANCIAL STATEMENTS**

at 31 December 2009

**5. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)**

Factors affecting current tax charge

The tax disclosed on the profit on ordinary activities for the year is calculated at the standard rate of corporation tax in the UK of 28% (2008 28.5%) The differences are reconciled below

	2009 £'000	2008 £'000
Profit on ordinary activities before tax	204	409
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 28.5%)	57	117
Total current tax	57	117

There was no provided or unprovided deferred tax in either the current or prior years

**6. INVESTMENTS**

£'000

As at 31 December 2008 and 31 December 2009

100

Details of the major investments in which the Company directly holds an interest are as follows

	Country of Registration	Proportion of nominal value of ordinary shares held	Nature of business
<b>Associated Undertakings</b>			
Power Asset Development Company Limited	UK	25 £1 Ordinary shares (25%)	Supply & maintenance of electrical equipment
<b>Other investments</b>			
EDF Energy Powerlink Limited	UK	100,000 £1 Ordinary Shares (10%)	Supply & maintenance of electrical equipment

**NOTES TO THE FINANCIAL STATEMENTS**

at 31 December 2009

**6. INVESTMENTS (continued)**

The shares in EDF Energy Powerlink Limited and Power Asset Development Company Limited are pledged as security to the Royal Bank of Scotland as part of the guarantee provided to these companies (note 14). Any amounts received from EDF Energy Powerlink Limited and Power Asset Development Company Limited in the form of dividends, distributions and charges are subject to the guarantee and may be called by the mortgagor to settle any liabilities.

The Company also has an investment of 900,000 nil paid £1 ordinary shares in EDF Energy Powerlink Limited. These shares can be called at the discretion of EDF Energy Powerlink Limited.

**7. DEBTORS: amounts falling due within one year**

	2009 £'000	2008 £'000
Amounts owed by group undertaking	2,345	2,136
Amounts owed by associated undertaking	78	177
	<u>2,423</u>	<u>2,313</u>

**8. DEBTORS : amounts falling due after one year**

	2009 £'000	2008 £'000
Amounts owed by associated undertaking	<u>1,000</u>	<u>1,000</u>

The debtor above represents a loan which falls due after more than one year.

The loan is drawn down against a shareholder facility of £1.0m. Interest is charged at 14% per annum and is payable half yearly. The loans are repayable in August 2028.

**NOTES TO THE FINANCIAL STATEMENTS**

at 31 December 2009

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

	2009 £'000	2008 £'000
Accruals	38	11
Amounts owed to group undertaking	-	4
Corporation tax	57	117
	<u>95</u>	<u>132</u>

**10. SHARE CAPITAL**

	2009 £'000	2008 £'000
Authorised 100,000 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and partly paid 50,000 Ordinary shares of £1 each partly paid 25p	<u>12</u>	<u>12</u>

**11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<i>Share capital</i> £'000	<i>Profit and loss account</i> £'000	<i>Total</i> £'000
1 January 2008	12	2,977	2,989
Profit for the year	<u>-</u>	<u>292</u>	<u>292</u>
31 December 2008	12	3,269	3,281
Profit for the year	<u>-</u>	<u>147</u>	<u>147</u>
31 December 2009	<u>12</u>	<u>3,416</u>	<u>3,428</u>

**NOTES TO THE FINANCIAL STATEMENTS**

at 31 December 2009

**12. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption in paragraph 3(c) of FRS 8 from disclosing transactions with related parties that are part of ABB Limited group or investees of the group. The following transactions are not covered by this exemption.

ABB Investments Limited has a 25% shareholding in Power Asset Development Company Limited ("PADCo"), a company which constructs, maintains and renews assets related to the London Underground Limited electricity network. Details of the income included in the profit and loss account are as follows:

	<i>2009</i> <i>£'000</i>	<i>2008</i> <i>£'000</i>
Management fee	<u>63</u>	<u>63</u>

At the year end, the amounts owed by related undertakings not covered by the exemption were as follows:

	<i>2009</i> <i>£'000</i>	<i>2008</i> <i>£'000</i>
Debtors – PADCo	<u>1,078</u>	<u>1,178</u>

**13. ULTIMATE PARENT UNDERTAKING**

The ultimate parent undertaking is ABB Ltd, a company incorporated in Switzerland. This is the largest group in which ABB Investments Limited is consolidated. A copy of the accounts can be obtained from PO Box 8131, CH-8050, Zurich, Switzerland.

**14. CONTINGENT LIABILITY**

The Company acts as a guarantor along with other investors of the liabilities of EDF Energy Powerlink Limited and Power Asset Development Company Limited. At 31 December 2009 Power Asset Development Company Limited had fully drawn down £123m (2008: £123m) of a £123m (2008: £123m) loan facility.