APPENDIX A: Statement of Directors' responsibilities in respect of the annual report and financial statements (page 94)

Statement of Directors' responsibilities in respect of the annual report and the financial statements

The Directors are responsible for preparing the Annual Report and the Group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with IFRSs as adopted by the EU and applicable law and have elected to prepare the parent company financial statements on the same basis.

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 Group and parent company and of their profit or loss for that period. In preparing each of the Group and parent company 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 they have been prepared in accordance with IFRS as adopted by the EU; and
- prepare the financial statements on the Going Concern basis unless it is inappropriate to presume that the Group and the parent company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report and a Directors' Report (including the Directors' Remuneration Report and Corporate Governance Statement) that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report and Directors' Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.
- the Annual Report and Accounts, taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance business model and strategy.

For and on behalf of the Board

Alistair Phillips-Davies
Chief Executive
20 May 2014

Gregor Alexander
Finance Director
20 May 2014

APPENDIX B: Risk management (pages 22-27)

The achievement of SSE's strategic goals necessarily involves taking risks

Energy markets are both complex and volatile, and SSE believes that the process of identifying and controlling risk needs to be flexible, effective and dynamic.

Key Risks

Defined principal risks
20
SSE has defined 20 principal risks which are set out on page 26.

Emerging risks
3
SSE has identified three emerging risks which are summarised on pages 24 and 25.

Embedded risks
3
SSE has identified three embedded risks which are summarised on pages 22 and 23.

Key activities
8
SSE undertook eight principal risk management activities in 2013/14 which are set out on page 24.

Risk management process

SSE's risk management process is designed to ensure that:

- risks are taken knowingly and with a full understanding of their implications;
- risks taken are proportionate and in keeping with achievement of SSE's goals;
- proper consideration is given to where in the business certain risks are taken;
- risk is managed on both a 'top down' and 'bottom up' basis; and
- the wider control environment is strong and fully integrated.

The requirement for good risk governance and its responsibility for clear and effective risk management is accepted and endorsed by the Board. As such, this report includes commentaries on risk appetite, principal risks, risk management activities carried out during 2013/14, plans for the development of a formal Enterprise Risk Management (ERM) framework, principal risks and uncertainties facing SSE, risk governance and an update with regard to SSE's wider control environment.

Risk appetite

SSE continues to have a limited appetite and tolerance for risk, commensurate with its key goal of delivering annual dividend growth for investors.

The three segments which make up the SSE Group have varying risk profiles. For example, the Networks business – which is heavily regulated and is characterised by stable, inflation-linked cashflows – is inherently lower risk than the Wholesale or Retail businesses. Conversely the Wholesale business is heavily exposed to, amongst others, energy market and commodity risk.

SSE will only accept risk in the parts of its business where that risk is well understood, can be appropriately managed and corresponding returns are deemed sufficiently attractive.

Principal and embedded risks

SSE has identified 20 principal risks which are set out in the table on page 26. In addition to these, SSE recognises the following embedded risks:

- **Geopolitical risk.** SSE operates a diverse business model which looks to avoid undue dependence on any single technology, fuel or other resource. Nevertheless, geopolitical developments could have a material impact on several parts of SSE's business – for example, procurement and the supply chain and commodity costs and availability – although in practice SSE's ability to control or proactively manage this risk is likely to be limited.

- **Weather and climate change risk.** Weather affects the production and consumption of energy, the operation of energy networks and the balance between SSE's electricity generation and energy supply activities. This risk is mitigated through the maintenance of a diversified generation portfolio and through detailed emergency planning. For more information about the impact of the weather on SSE's businesses in 2013/14, see page 9.
- **Reputational risk.** SSE continues to believe that the most effective way to manage reputational risk is to manage its principal Group risks. Corporate reputation is a key issue for a long-term business such as SSE.

Each business undertakes a six monthly review to identify and report on key specific risks, and the control mechanisms relating to these. As part of this process, each business unit aligns its individual risks with the 20 principal Group risks.

This information has in turn informed 'deep dive' reviews of the principal risks, each of which is sponsored and led by one of SSE's Managing Directors. These intensive exercises continue to form a central strand in SSE's approach to risk management by providing a focus not only on the 20 principal risks themselves, but also on key controls and potential emerging threats to SSE's ability to meet its strategic goals.

Current risk management process

SSE follows a traditional risk cycle to identify and manage the risks to which it is exposed at all levels, as outlined below:

1. Identify risks
Know the key risks and maintain a register of them.

2. Assess impact and likelihood of risks
Look to understand and define the key drivers and impacts of the risks in relation to SSE's risk tolerance.

3. Evaluate risks and controls
Understand the key controls relied on to manage key risks. Know and monitor the measures that indicate the controls are working.

4. Record, prioritise, communicate, take action
Ensure risks and issues identified are addressed and improvements are made.

5. Monitor and review
Review and report – keep risk registers refreshed and updated.

Review of risk management activities during the year

SSE continued to actively review and manage current and emerging risks throughout the course of 2013/14. A summary of issues and actions include:

- Ongoing risk reviews by each business unit continue to be a key feature of SSE's approach to risk management. This is based on the principle that business unit experts are best placed to identify and manage the risks that they face on a day-to-day basis. The Group Risk function provides feedback and challenge in respect of all business output.
- The Executive Committee continues to closely monitor SSE's management of the principal risks. During the course of the year, this resulted in updating the Legislative Change risk to 'Political and Legislative Change' to better reflect the significance of political risk with regard to SSE's ongoing business and operations.
- Each of the principal risks continues to be championed by one of SSE's Managing Directors, ensuring regular review and recognition of current and/or emerging issues, and the adequacy of the related control environment.
- The energy 'trilemma' of energy affordability, security of supply and decarbonisation has created a unique and complex risk environment. In response, SSE has created dedicated project teams to consider how best these issues can be balanced and managed.
- In-depth testing of risk controls has been carried out in key business areas, including Energy Portfolio Management.
- Throughout the course of 2013/14, business continuity planning was reviewed with a variety of specific business continuity scenarios tested.
- SSE's Insurance department continues to seek opportunities to place owner controlled policies, taking a risk orientated approach to obtain fit for purpose cover, building on strong strategic relationships and leveraging buying power. This approach has brought about considerable benefits through a fuller understanding of policy terms and conditions, in turn ensuring that these meet SSE's needs.
- The decisions to adapt SSE's portfolio of generation assets and developments in the light of ongoing environmental requirements, market conditions and policy change demonstrate that SSE continues to manage actively the risks associated with generation development, construction and operation with the objective of maintaining a diverse, reliable, efficient and flexible portfolio of assets capable of operating successfully in the changing energy market.

Development of an Enterprise Risk Management (ERM) framework

In recognition of the increasingly complex environment in which SSE operates, an ERM function is now being developed to support the strategic and organisational needs of SSE. This change is evolutionary in nature, formalising and building on the current risk management practices that have historically provided SSE with a strong foundation for the identification, monitoring and management of risks across the business.

Once fully established, ERM will provide a comprehensive framework for risk awareness and management, ensuring a consistent approach throughout SSE. Core responsibility for the identification and management of key risks will remain at business unit level, with overall 'top down' responsibility for the identification and assessment of SSE's principal risks managed by the Executive Committee with regular updates given to the Board. A small centralised team will provide synchronisation between these processes; ensure alignment of SSE's strategy with risk management; engage with the business units to provide guidance, support and challenge; and produce a consolidated analysis of total SSE risk exposure.

Specifically, the ERM framework will support and encourage:

- risk-informed decision making at all levels within the organisation;
- greater business unit empowerment and accountability for risk management;
- the development of more comprehensive risk appetite statements at both business unit and Group levels;
- better clarity and definition with regard to SSE's overall risk profile;
- SSE's ability to risk assess new business opportunities as and when they arise; and
- the further development of a comprehensive and fully co-ordinated control environment.

Emerging risks and uncertainties

In addition to SSE's current list of principal ongoing group risks (as set out on page 26), current key uncertainties include:

- **European gas supply.** Russia is an important source of European gas supply, covering around 30% of European demand (UK, Netherlands, Germany, France, Spain, Italy and Belgium). Ukraine represents one of the major transit routes with approximately 50% of Russian gas imported via Ukraine in 2013. The UK interconnection with continental Europe via BBL and Interconnector UK gas pipelines means that developments in the European gas market have a significant impact on gas prices in the UK. A change of government in Ukraine, opposed by the Russian Federation, a subsequent referendum in Crimea and annexation of this territory by the Russian Federation, again posed a question about security of gas supply in Europe.

  A key risk is that of gas payment disputes arising between state-controlled companies. Previous disputes over prices, payments and debt have led to gas supply interruptions of up to 18 days during the winters of 2005/2006, 2007/2008 and 2008/2009. Intensification of political tensions could lead to fresh disputes and to curtailing of Russian gas supplies to Ukraine. This in turn would jeopardise gas imports to the rest of Europe and would put pressure on European gas prices.

  SSE recognises that with an increased interconnection of gas markets it is exposed to the risks associated with global geopolitical events through its Energy Portfolio Management activities. However, SSE operates a policy of purchasing a proportion of its gas requirements in advance of delivery in order to manage market price volatility. In addition, SSE's upstream production interests help to ensure cost effective gas procurement for its customers. More generally, SSE's ownership and operation of a well-balanced portfolio of thermal, wind and hydro generation assets helps to reduce exposure to wider market and geopolitical risks.

- **Scottish independence.** SSE employs people, serves customers, owns and operates assets and has plans to invest in England, Wales and Scotland, which together have a single energy market established through the United Kingdom Parliament and regulated by Ofgem.

  SSE believes that the interconnection and integration of the electricity and gas systems and markets in Scotland and in England and Wales should continue regardless of the outcome of the referendum on Scotland's future this September. This means it believes that there should continue to be a single energy market for the island of Great Britain, just as there is a single electricity market for the island of Ireland.

  Nevertheless, arrangements for the future of the energy market would have to be agreed by the Scottish government and the UK government in the event of Scotland becoming independent. In addition, other issues that would have to be resolved and which could affect SSE's business, include the currency that an independent Scotland would use, the process for determining Scotland's position with regard to the European Union, and arrangements for recovery of capital investments currently socialised across GB, such as renewable energy and the transmission network.

If Scotland votes to become an independent country, the process of negotiation with the UK government and the European Union on these and other matters is likely to be complex and will take some time. This means that the risk of legislative and regulatory change, which SSE has previously acknowledged will remain one of its principal risks, is heightened until the Scottish referendum and will continue to be so for some time if there is a 'Yes' vote.

SSE has already put in place arrangements to ensure that it takes account of the increased uncertainty in its decision-making and has a clear view of the issues that would arise should there be a 'Yes' vote and is in a good position to engage constructively with the Scottish and UK governments in that event. Its approach is to ensure that it continues to meet the needs of its networks and energy supply customers in particular, while safeguarding the interests of investors.

- **UK political and regulatory environment.** The nature of SSE's core business in producing, delivering and supplying energy leads to significant exposure to political and regulatory risk. There were a number of developments in 2013/14 which underlined this exposure.

  As the primary cost of energy has risen, the issue of affordability for customers has been fully supported by – and in some areas actively led by – SSE through its advocacy of replacement of 'green taxes', which take no account of ability to pay, with funds levied from general taxation. This was further demonstrated by SSE's announcement in March 2014 that it is to freeze electricity and gas prices for all of its GB household customers until at least January 2016. This was made possible through a combination of a robust business model, operational efficiency, work to secure customers' energy supplies in wholesale markets and SSE's success in helping to secure planned changes to the 'green taxes' of the Warm Home Discount and Energy Company Obligations (ECO). In addition to these measures, a project team will look at what else can be done to ensure that customers can afford to meet their energy needs.

In addition to affordability, another key area of political and regulatory focus is competition in the GB energy market and in particular the performance of the so-called 'big six' energy providers (of which SSE is one). Having completed their joint assessment of the market in late March 2014, Ofgem, the Office of Fair Trading (OFT) and the Competition and Markets Authority (CMA) concluded that there are a number of factors which call into question its competitiveness. The factors included declining consumer confidence in the industry, whether vertical integration is in the best interests of the consumer, increases in retail profits, and the potential for customers who show an unwillingness to switch provider to pay more. Given this conclusion, Ofgem have called for a fuller market investigation by the CMA, to 'once and for all clear the air and allow the CMA to ensure that there are no further barriers to effective competition'.

SSE believes that the energy market in Great Britain is competitive, has brought significant benefits for customers, and that much has been done in recent years to make it more transparent and easier to understand, ranging from greater liquidity in the wholesale electricity market to simplification of tariffs in the retail markets. In addition, there has been significant investment in Wholesale and Retail businesses in Great Britain.

Nevertheless, many of the key features of the energy market have become contentious and been subject to significant change designed to achieve a mixture of objectives. SSE has demonstrated consistently its appetite for reform that is in the interests of customers and the competitive market and believes that if a market reference is made it should provide a platform for achieving greater political and regulatory stability for the competitive GB energy market, for the benefit of customers. In line with that, SSE hopes that such a market reference does not focus solely on the household energy market, but that its work covers small businesses and industrial and commercial customers and that it looks at all parts of the energy supply chain that are not economically regulated.

It is, however, recognised that a market reference is likely to be lengthy and will require significant resource within the Company, supported by external advice and analysis where appropriate. As such, SSE has created a formal project structure - led by the Regulation department but drawing on the knowledge and experience of employees from across the organisation, to manage the expected workload and ensure SSE is a constructive contributor to the market reference process.

Recognising the need to maintain and build stakeholder trust in the industry, SSE is also committed to the transparent operation of its businesses. The State of the Market Assessment published by Ofgem in March 2014 noted the benefits of vertical integration of electricity generation and supply while also commenting that it had not been able to assess the net impact on customers of vertical integration overall. In the meantime, in order to further improve transparency in this area, SSE has committed to separate these two areas for legal and reporting purposes. This will not only increase the transparency of SSE's overall business, but will also enable it to demonstrate the clear benefits of vertical integration to the customer.

Risk Governance and the wider control environment

During the course of 2013/14, significant steps were taken to strengthen SSE's control environment. This has included a refocusing on and strengthening of the Business Assurance activities in key business units. Additionally, a structure to ensure formal and fully independent compliance coverage across the Group has been put in place, with a Director of Compliance appointed and reporting to SSE's Managing Director, Corporate and Business Services.

Changes have also been made in respect of Internal Audit, including the introduction of integrated one- and three-year audit plans, adding greater flexibility to the audit process to support the changing needs of SSE's business.

Plans to consider reporting on the awareness of management with regard to key risks, issues and controls in their business areas – in addition to reporting on the current effectiveness of controls – are well advanced and are expected to be introduced in the course of 2014/15.

Key to the overall effectiveness of SSE's control framework is good communication and co-ordination of activities between the functions that form the 'three lines of defence'. To ensure that this is achieved, regular cross-functional meetings are held to ensure that coverage of keys risks is comprehensive across the organisation and to co-ordinate operational activities and planning.

In April 2013, Ofgem imposed a fine of £10.5m on SSE for failings relating to its energy sales activities. As reported last year the Board believed appropriate action had been taken to address these failings. A dedicated team was set up to fully review and implement improvements to ensure full, ongoing compliance across the Retail business. This project, which was sponsored and led by senior management and supported by employees from key relevant functions across the organisation, was successfully completed and subsequently formally closed in April 2014.

Key areas of focus for the project included:

- values and behaviour;
- processes and IT;
- management controls; and
- assurance activities.

This was a significant piece of work that has delivered material improvements in the way

Table of current top 20 principal risks

Principal risk definition	
Safety management	Unsafe working practices, equipment and inadequate training may lead to accidents or incidents involving employees, contractors, members of the public or plant and equipment.
Regulatory change	An adverse change to the current regulatory framework in all parts of SSE could have a significant affect on its business.
Political and legislative change	Risks to SSE from unfavourable political and legislative developments at EU level and in the jurisdictions in which it operates.
Energy portfolio management	Failure to identify and effectively manage the physical and financial exposures that result from SSE's operational involvement in electricity generation, gas storage, gas production, physical coal procurement, wholesale energy trading and retail supply.
Asset and plant management	Loss or extended disruption to key Group infrastructure caused by failure/loss of containment at key plant.
Networks management	Loss or extended disruption to key Group network infrastructure.
Cyber and information security	Unauthorised access or disclosure of data either within the SSE Group or between SSE and external environments and markets; disruption to business operations as a result of a malicious attack.
Supply chain	Delivery of major projects and critical business as usual programmes is impacted through failure to establish, contract and maintain adequate supply chains and strategic alliances.
Treasury and tax management	Failure to identify and effectively manage treasury and tax exposures and to meet the organisation's funding requirements and obligations.
Energy affordability	Economic, social, energy market and policy conditions which make it difficult for households and businesses to pay the cost of electricity and gas.
Pension liabilities	Liabilities increase due to market conditions or demographic changes and investments under perform.
Sector developments	Inability/tardiness in identifying step changes in the industry sectors and reacting appropriately.
Major capital projects management	Failure to deliver quality projects on time and on budget.
Transformation projects management	Failure to deliver required upgrades to customer systems in relation to smart metering and the Energy Supply business requirements.
Compliance management	Any significant or multiple compliance failures could result in adverse effect on SSE, including the possibility of a financial penalty.
Crisis management	Inadequate response to a major emergency/contingency event.
Succession planning	Not having cover for the Board and Executive Committee and their direct reports.
Resource and internal infrastructure	Inability to establish and maintain a competent workforce. Failure to forward plan and identify a capabilities matrix to match growth plans. Portfolio of assets (buildings, transport and IT) not maintained and enhanced to support business plans.
Corporate arrogance or hubris	Unwarranted belief in SSE's own abilities, failure to keep listening, inadequate regard for the company's long-term reputation and insufficient challenge to conventional wisdom.
Joint ventures	Failure to assess effectively individual JV proposals, manage effectively individual JV assets or understand cumulative impact on SSE of its JVs results in reputational damage or destruction in value.

that energy sales are supported by effective compliance arrangements. Ongoing scrutiny and review will be carried out to ensure that these improvements are enduring, and that further enhancements are made when and where possible.

The Board's review of internal control
SSE's Board has responsibility for agreeing, setting and communicating SSE's overall internal control structure and risk management activities. As such it:

- approves policies, procedures and frameworks for the maintenance of a sound and effective system of internal control;
- reviews principal key risks and mitigating actions/controls;
- determines the risk appetite of the Group;
- receives regular update reports on risk management activities, including 'deep dive' presentations with regard to SSE's principal risks; and
- evaluates the effectiveness of internal reporting and controls.

While the Board retains overall responsibility, reviewing the system of internal control and monitoring its effectiveness is primarily dealt with by the Audit Committee, and its output is reviewed at least annually by the Board.

The Board and the Audit Committee have reviewed the effectiveness of the Company's risk management and internal control system in accordance with the UK Corporate Governance Code (the Code) for the period from 1 April 2013 to 20 May 2014 (being the last practical day prior to the printing of this Annual Report). The Board confirms that no significant failings or weaknesses have been identified in the company's management and internal control system.

The internal control procedures described in this section have not been extended to cover its interests in joint ventures. The Group has Board representation on its joint venture companies where separate systems of internal control have been adopted.

During the year, the company responded to the Financial Reporting Council's consultation on changes to the Code to update guidance regarding internal control. SSE welcomes and supports the changes proposed.

The roles of relevant committees and functions
As with all other activities, SSE's Executive Committee is responsible for ensuring implementation of the strategy and policies determined by the Board with regard to risk management and internal control.

The Risk and Trading Committee reports to the Executive Committee. The specific remit of this committee is to support the company's risk management responsibilities in specific areas by reviewing the market, credit, operational and liquidity risks and issues arising from SSE's Wholesale, Retail and Treasury operations.

In addition to the Risk and Trading Committee SSE has a number of specialist committees that provide further oversight and direction to support risk management activities throughout the organisation. The structure of these committees can be seen in the chart on page 59.

The Group Risk and Audit function is responsible for SSE's risk management activities at a Company-wide level, and for provision of its Internal Audit service. As such, its activities include:

- working with the business units to develop and improve operational risk management;
- ensuring that business risks are identified, managed and regularly reviewed;
- ensuring the regular review of internal controls relating to key risks;
- reporting on risk matters to the Board and Audit Committee;
- monitoring and testing the effectiveness of SSE's internal controls through audit reviews, exercises and reports and, where appropriate, action plans to senior managers, directors, the Audit Committee and external Auditors;
- providing the Board and Audit Committee with independent and objective assurance with regard to SSE's control environment;
- undertaking focused risk based assurance exercises as required; and
- providing risk training to senior management.

APPENDIX C: Related party transactions (page 163)

34. Related party transactions

The immediate parent and ultimate controlling party of the Group is SSE plc (incorporated in Scotland). Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

(i) Trading transactions

The following transactions took place during the year between the Group and entities which are related to the Group but which are not members of the Group. Related parties are defined as those in which the Group has control, joint control or significant influence over.

	Sale of goods and services 2014 £m	Purchase of goods and services 2014 £m	Amounts owed from 2014 £m	Amounts owed to 2014 £m	Sale of goods and services 2013 £m	Purchase of goods and services 2013 £m	Amounts owed from 2013 £m	Amounts owed to 2013 £m
Jointly controlled entities:								
Seabank Power Ltd	**22.9**	**(108.7)**	**1.2**	**9.1**	27.2	(99.5)	2.9	8.9
Marchwood Power Ltd	**33.5**	**(94.5)**	**0.2**	**8.1**	22.5	(85.5)	0.3	6.0
Greater Gabbard Offshore Winds Ltd	**5.4**	**(121.0)**	**–**	**37.0**	–	(90.0)	–	33.4
Scotia Gas Networks Ltd	**58.7**	**(175.2)**	**15.7**	**0.7**	57.6	(157.2)	9.2	15.1
Other Joint Ventures	**36.5**	**–**	**1.1**	**0.3**	42.1	–	9.8	–
Associates	**1.5**	**(28.2)**	**1.1**	**2.5**	29.6	(38.3)	1.2	2.4

The transactions with Seabank Power Limited, Marchwood Power Limited and Greater Gabbard Offshore Winds Limited relate to the contracts for the provision of energy or the tolling of energy under power purchase arrangements. Scotia Gas Networks Limited has operated the gas distribution networks in Scotland and the South of England from 1 June 2005. The Group's gas supply activity incurs gas distribution charges while the Group also provides services to Scotia Gas Networks in the form of a management service agreement for corporate services, stock procurement services and the provision of the capital expenditure on the development of front office management information systems.

The amounts outstanding are trading balances, are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties. Aggregate capital loans to jointly controlled entities and associates are shown in Note 16.

Remuneration of key management personnel

The remuneration of the key management personnel of the Group (excluding pension value increases), is set out below in aggregate.

	2014 £m	2013 £m
Short-term employment benefits		
Executive Directors	**4.9**	4.7
Other Management Board members	**4.4**	3.6
	9.3	8.3

Key management personnel are responsible for planning, directing and controlling the operations of the Group. These personnel are were identified in the previous year as the Management Board, which was made up of the Executive Directors and eight (2013 – eight) Managing Directors and the Chief Executive Officer of Scotia Gas Networks Limited. In the Interim Management Statement on 28 January 2014, it was announced that the these activities would be conducted by the newly formed Executive Committee with effect from 1 February 2014. The Executive Committee comprises the two executive directors and the Managing Directors of the Networks, Retail, Wholesale and Enterprise businesses.

In addition, the key management personnel receive share based remuneration, details of which are found at Note 32. Further information about the remuneration of individual directors is provided in the audited part of the Remuneration Report. The Executive Directors are employed by the Company.

Information regarding transactions with post-retirement benefit plans is included in Note 31.