



ASSOCIATED ELECTRICITY SUPPLIES LIMITED

Registered Number 2223002

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2010

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Director

Simone Rossi
Joe Souto

Company Secretary

Joe Souto

Auditor

Deloitte LLP
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London
EC4A 3BZ

Registered Office

40 Grosvenor Place
Victoria
London
SW1X 7EN

DIRECTORS' REPORT

The Directors present their annual report and financial statements for the year ended 31 December 2010

Principal activities

The Company's principal activities during the year continued to be the leasing and subletting of a building. It will continue with these activities for the foreseeable future.

Business review

The profit for the year, before taxation, amounted to £59,252 (2009: £7,062 loss) and after taxation, amounted to £59,550 (2009: £9,908). No dividends were paid in the year (2009: £nil).

The EDF Energy plc group (the "Group") manages its operations on a business segment basis. For this reason, the Company's Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the Group which includes the Company is discussed in the Electricité de France S.A. (EDF) Group's Annual Report, which does not form part of this Report.

Going concern

After making enquiries and reviewing cash flow forecasts and available facilities for at least the next 12 months, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. This judgement has been formed taking into account the principal risks and uncertainties that the Company faced and which have been outlined in more detail elsewhere in the Directors' report. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements.

Risk management

The Company is not exposed to any significant currency or interest rate risk.

The Company's exposure to credit and liquidity risk is reduced as it is a 100% subsidiary of the EDF Energy Group of Companies. Credit risk is mitigated by the nature of the debtor balances owed, with these due from other Group companies who are able to repay these if required, and liquidity risk is mitigated by the financial support given by EDF Energy plc, a fellow Group company.

Directors

Directors who held office during the year and subsequently were as follows:

Thomas Kusterer	(resigned 29 March 2011)
Simone Rossi	(appointed 1 April 2011)
Joe Souto	

None of the Directors had a service contract with the Company in the current or prior year. They are all employed by associated companies within the EDF group.

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

DIRECTORS' REPORT continued

Disclosure of information to Auditors

Each of the persons who is a director at the date of approval of this annual report confirms that


- so far as the Director is aware, there is no relevant audit information of which the Company's Auditors are unaware, and
- the Director has 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

This confirmation is given and should be interpreted in accordance with the provisions of s 418 of the Companies Act 2006

Auditors

On 21 October 2005 the Company passed an elective resolution dispensing with the requirement to appoint auditors annually. In accordance with s 485 of the Companies Act 2006, Deloitte LLP are deemed re-appointed until such time as the members or the Directors determine otherwise

By order of the Board



Simone Rossi
Director

36 August 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual 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 these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASSOCIATED ELECTRICITY SUPPLIES LIMITED

We have audited the financial statements of Associated Electricity Supplies Limited for the year ended 31 December 2010 which comprise the Profit and Loss account, the Balance Sheet and the related notes numbered 1 to 15. 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, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

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 2010 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.

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.



Bevan Whitehead (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditors

London, United Kingdom

Date 30 August 2011

PROFIT AND LOSS ACCOUNT

	<i>Note</i>	2010 £	2009 £
Turnover	2	80,118	81,032
Administrative expenses		(84,051)	(81,032)
Other income		41,552	-
Operating profit	3	37,619	-
Investment income	5	31,574	253
Interest payable and similar charges	6	(9,941)	(7,315)
Profit/(loss) on ordinary activities before taxation		59,252	(7,062)
Tax on profit/(loss) on ordinary activities	7	298	16,870
Profit for the financial year		59,550	9,808

There were no recognised gains or losses during the year other than the profit for the period. Accordingly, no statement of total recognised gains and losses has been presented.

All results are derived from continuing operations in both the current and preceding year.

BALANCE SHEET
AT 31 DECEMBER 2010

	<i>Note</i>	2010 £	2009 £
Current assets			
Debtors			
- due within one year	8	76,465	76,167
Cash at bank and in hand		487,804	415,158
		564,269	491,325
Creditors' amounts falling due within one year	9	(276,958)	(258,056)
Total assets less current liabilities		287,311	233,269
Provision for liabilities and charges	10	(72,687)	(78,195)
Net assets		214,624	155,074
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account	12	214,524	154,974
Shareholder's funds		214,624	155,074

The financial statements of Associated Electricity Supplies Limited, registered number 2223002 on pages 6 to 12 were approved by the Board of Directors on *30 August* 2011 and were signed on its behalf by


Simone Rossi
Director

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

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

Basis of accounting

These financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards.

Going concern

After making enquiries and reviewing cash flow forecasts and available facilities for at least the next 12 months, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. This judgement has been formed taking into account the principal risks and uncertainties that the Company faced and which have been outlined in more detail elsewhere in the Directors' report. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements.

Cash flow statement

The Company is exempt from preparing a cash flow statement under the terms of FRS 1 'Cash flow statements (revised 1996)' as it is a member of a group, headed by EDF Energy plc, whose consolidated accounts include a cash flow statement and are publicly available.

Taxation

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred at the balance sheet date, with the following exceptions:

- provision is made for gains on disposal of fixed assets that have been rolled over into replacement assets only where, at the balance sheet date, there is a commitment to dispose of the replacement assets with no likely subsequent rollover or available capital losses,
- provision is made for gains on re-valued fixed assets only where there is a commitment to dispose of the re-valued assets and the attributable gain can neither be rolled over nor eliminated by capital losses, and
- 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 difference can be deducted.

Deferred tax is measured on an undiscounted basis.

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies continued

Provisions

Provisions are recognised when the Group 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. If the effect of the time value of money 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.

Leases

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

2 Turnover

Turnover derives from rentals receivable under operating leases in the UK. The income is credited to the profit and loss account on an accruals basis over the lease term.

3 Operating profit/(loss)

	2010 £	2009 £
This is stated after (crediting)/charging		
Compensation for loss of use of ACT	(41,552)	-
Amounts payable under operating leases	98,536	95,892
Utilisation of onerous provision (note 10)	(14,968)	(14,860)

Rental income under operating leases for the year amounts to £80,118 (2009: £81,032) which is included in turnover.

In 2010 an amount of £15,000 (2009: £15,000) was paid to Deloitte LLP for audit services. This charge was borne by another Group company in both the current and prior year. In 2010, amounts payable to Deloitte LLP by the Company in respect of other assurance services was £nil (2010: £nil).

The Company had no employees in 2010 (2009: None).

4. Directors' emoluments

All Directors are employees of associated EDF group companies. The Directors did not receive any remuneration for services to the Company during the current year or previous year.

No Director (2009: none) held any interests in the shares or debentures of the Company or the Group required to be disclosed under the Companies Act 2006.

5 Investment income

	2010 £	2009 £
Bank interest receivable	204	253
Interest received on compensation received for loss of use of ACT	31,370	-
	31,574	253

NOTES TO THE FINANCIAL STATEMENTS

6 Interest payable and similar charges

	2010 £	2009 £
Unwinding of discount on provision (note 10)	9,460	6,713
Bank charges	481	602
	9,941	7,315

7 Tax on loss on ordinary activities

(a) Analysis of tax charge in the year

UK current tax	2010 £	2009 £
UK corporation tax credit on profit/(loss) for the year	(259)	(16,797)
Adjustment in respect of previous periods	(39)	(73)
Total current tax credit (note 7(b))	(298)	(16,870)

The Finance Bill 2010 was published on 1 July 2010 and included a reduction in the main rate of corporation tax for the financial year beginning 1 April 2011 from 28% to 27%

This tax law change was substantively enacted in the House of Commons on 21 July and received Royal Assent on 27 July 2010 and has therefore been reflected where appropriate in these financial statements

The Finance Act 2011 announced a further reduction in the main rate of corporation tax for the financial year beginning 1 April 2011 from 27% to 26%. This tax law change was substantively enacted in the House of Commons on 29 March 2011 and has therefore been disclosed where appropriate

The Finance Act 2011 also announced a further reduction in the main rate of corporation tax for the financial year beginning 1 April 2012 from 26% to 25%. This tax law change was substantively enacted in the House of Commons on 5 July 2011 and has therefore been disclosed where appropriate

(b) Factors affecting tax charge for the year

The tax assessed for the period is lower (2009 lower) than the standard rate of corporation tax in the UK

The differences are explained below

	2010 £	2009 £
Profit/(loss) on ordinary activities before tax	59,252	(7,062)
Tax on profit/(loss) on ordinary activities at standard UK rate of corporation tax of 28% (2009 28%)	16,591	(1,977)
Effect of Permanent differences	(16,850)	(14,819)
Adjustment in respect of group relief in prior years	(39)	(74)
Current tax credit for the year	(298)	(16,870)

There was no deferred tax arising in the year (2009 £nil)

NOTES TO THE FINANCIAL STATEMENTS

8. Debtors amounts falling due within one year

	2010 £	2009 £
Corporation tax (Group relief receivable)	54,307	54,009
Prepayments	22,158	22,158
	76,465	76,167

9 Creditors amounts falling due within one year

	2010 £	2009 £
Amounts owed to other Group companies	251,185	232,283
Other creditors	7,069	7,069
Accruals and deferred income	18,704	18,704
	276,958	258,056

The amounts owed to other Group companies is non-interest bearing and is repayable on demand

10 Provisions for liabilities and charges

The movements in provisions during the current year are as follows

	At 1 January 2010 £	Provided/ (Utilised) in the year £	Unwinding of discount £	Change in estimate £	At 31 December 2010 £
Provisions for onerous contract	78,195	(14,968)	6,178	3,282	72,687

The provision for onerous contract represents the difference between the contracted rental income from a property until the break clause date and the amounts payable by the Company for the property under its existing contract

11. Share capital

Allotted, called up and fully paid

	2010 Number	2009 Number	2010 £	2009 £
Ordinary shares of £1 00 each	100	100	100	100

NOTES TO THE FINANCIAL STATEMENTS

12 Reconciliation of shareholder's funds

	Share capital £	Profit and loss account £	Total shareholder's funds £
At 1 January 2009	100	145,166	145,266
Profit for the year	-	9,808	9,808
At 31 December 2009	100	154,974	155,074
Profit for the year	-	59,550	58,632
At 31 December 2010	100	214,524	214,624

13 Other financial commitments

At 31 December 2010 the Company had annual commitments under non-cancellable operating leases as set out below

Land and buildings

	2010 £	2009 £
Operating leases which expire In over five years	96,000	96,000

The lease is in respect of the property formerly occupied by Associated Electricity Supplies Limited. EDF Energy plc manages this property and sublets it to third parties on behalf of the Company. EDF Energy plc therefore makes payment of the operating lease rentals on behalf of the Company. However, there is still a legal commitment on the Company to meet these operating lease rentals as they fall due.

14. Related parties

In accordance with FRS 8 'Related party disclosures', the Company is exempt from disclosing transactions with entities that are part of the Group or investees of the Group qualifying as related parties, as it is a wholly-owned subsidiary of a parent, which prepares consolidated accounts which are publicly available.

15 Parent undertaking and controlling party

Deletpicnic Limited holds a 100% interest in Associated Electricity Supplies Limited and is considered to be the immediate parent company. EDF Energy plc heads the smallest group for which consolidated accounts are prepared which include the results of the Company. Copies of the Company's consolidated financial statements may be obtained from 40 Grosvenor Place, Victoria, London, SW1X 7EN.

At 31 December 2010, Electricité de France SA (EDF), a company incorporated in France, is regarded by the Directors as the Company's ultimate parent company and controlling party. This is the largest group for which consolidated financial statements are prepared. Copies of that company's consolidated financial statements may be obtained from Electricité de France SA, 22-30 Avenue de Wagram, 75382, Paris, Cedex 08, France.