



EDF ENERGY CUSTOMERS PLC

Registered Number 2228297

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 December 2009

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Directors

Vincent de Rivaz
Thomas Kusterer
Martin Lawrence

Company Secretary

Joe Souto

Auditors

Deloitte LLP
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London
EC4A 3BZ

Registered Office

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Victoria
London
SW1X 7EN

DIRECTORS' REPORT

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

Principal activities and review of the business

The Company's principal activities during the year continued to be the supply of electricity and gas to commercial, residential and industrial customers and meter reading and related services. It will continue with these activities for the foreseeable future.

Results and dividends

The profit for the year, before taxation, amounted to £105.6m (2008: £374.3m loss) and after taxation, amounted to £61.5m (2008: £279.8m). No dividends were paid in the year (2008: £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 Energy Sourcing and Customer Supply Business Unit, which includes the Company, is discussed in the Group's Annual Report which does not form part of this report.

Directors

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

Humphrey A E Cadoux-Hudson	(resigned 1 April 2009)
Eva Eisenschimmel	(resigned 27 July 2009)
Thomas Kusterer	(appointed 1 April 2009)
Vincent de Rivaz	
Martin Lawrence	

None of the Directors had a service contract with the Company in the current or prior year. They are all employed by an intermediate parent company, EDF Energy plc, and have contracts with that Company.

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.

Risk management

The main risks faced by the Company through its normal business activities are interest rate risk, market risk and credit risk. These risks and the Company's approach to dealing with them are described below.

The Company's exposure to interest rate fluctuations on its borrowings and deposits is managed by using fixed rate debt instruments and index-linked rate debt instruments.

Market risk is the risk that changes in energy prices will adversely affect the profitability of the Company from normal business operations. The risk is managed on a Group wide basis by EDF Energy plc which uses commodity hedge contracts to mitigate the price risk.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowance for doubtful receivables estimated by the Group's management based on prior experience and their assessment of current economic environment. The Company has no significant concentration of credit risk with exposure spread over a large number of customers. Management have put in place a credit control function to monitor and chase the aged receivables or take appropriate actions in case of failure to receive the amounts due.

DIRECTORS' REPORT continued

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Creditors payment policy

The Company's current policy concerning the payment of its trade creditors and other suppliers is to

- agree the terms of payment with those creditors/suppliers when agreeing the terms of each transaction,
- ensure that those creditors/suppliers were made aware of the terms of payment by inclusion of the relevant terms in contracts, and
- pay in accordance with its contractual and other legal obligations

The payment policy applies to all payments to creditors/suppliers for revenue and capital supplies of goods and services without exception. At 31 December 2009, the Company had an average of 5 days (2008: 6 days) purchases outstanding in its trade creditors.

Employees

The Company's policies and procedures relating to Health and Safety at work continued to exceed the requirements of current legislation and are kept under constant review to ensure a safe and healthy working environment for all employees.

Employee involvement

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting their employment and on the various factors affecting the performance of the Company and Group. This is carried out in a number of ways, including formal and informal briefings, departmental meetings and regular reports in staff newsletters and on the Group intranet.

Equal opportunities

The Company is fully committed to ensuring that all current and potential future employees and customers are treated fairly and equally, regardless of their gender, marital status, disability, race, colour, nationality or ethnic origin in accordance with the appropriate legislation and Government guidelines. The Company provides equal opportunities for employment, training and development, having regard to particular aptitudes and abilities. In the event of employees becoming disabled during employment, where possible, assistance and retraining is given so that they may attain positions compatible with their ability.

Charitable contributions

During the year, the Company made various charitable contributions totalling £3,096,000 (2008: £2,492,000).

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.

DIRECTORS' REPORT continued

Auditors

Deloitte LLP have indicated their willingness to continue in office as auditors to the Company. A resolution to reappointment Deloitte LLP as auditors will be tabled at the forthcoming Annual General Meeting.

By order of the Board



Thomas Kusterer
Director
16 June 2010

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 and 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 AUDITOR'S REPORT TO THE MEMBERS OF EDF ENERGY CUSTOMERS PLC

We have audited the financial statements of EDF Energy Customers plc 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 numbered 1 to 23. 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 13 of paragraph 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 auditors' 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 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.

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 18 June 2010

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009**

	<i>Note</i>	2009 £m	2008 £m
Turnover	2	5,887.7	5,591.5
Cost of sales		(5,052.0)	(5,394.6)
Gross profit		835.7	196.9
Administrative expenses		(738.2)	(567.9)
Operating profit/(loss) on ordinary activities before investment income, interest and taxation	3	97.5	(371.0)
Interest receivable and similar income	7	2.8	10.4
Interest payable and similar charges	8	(4.0)	(13.7)
Profit on acquisition of subsidiary	9	9.3	-
Profit/(loss) on ordinary activities before taxation		105.6	(374.3)
Tax on profit/(loss) on ordinary activities	10	(44.1)	94.5
Profit/(loss) for the financial year		61.5	(279.8)

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

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2009**

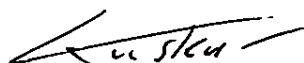
	<i>Note</i>	2009 £m	2008 £m
Profit/(loss) for the financial year		61.5	(279.8)
Actuarial loss net of deferred tax on defined pension benefits	21	(79.4)	(1.1)
Total recognised loss relating to the year		(17.9)	(280.9)

The deferred tax credit reflected in the actuarial loss net of deferred tax on defined benefit pensions amounted to £30.8m (2008: £0.4m)

**BALANCE SHEET
AT 31 DECEMBER 2009**

	Note	2009 £m	2008 £m
Fixed assets			
Intangible assets	12	220.4	259.3
Goodwill	11	136.4	150.1
Tangible assets	13	176.4	144.1
Investments	14	0.1	0.1
Total fixed assets		533.3	553.6
Current assets			
Debtors	15	1,484.2	1,732.1
		1,484.2	1,732.1
Creditors: amounts falling due within one year	16	(2,576.8)	(2,903.1)
Net current liabilities		(1,092.6)	(1,171.0)
Total assets less current liabilities		(559.3)	(617.4)
Provision for liabilities and charges	17	(5.1)	(0.2)
Net liabilities excluding pension liabilities		(564.4)	(617.6)
Pension liabilities	21	(90.4)	(18.4)
Net liabilities		(654.8)	(636.0)
Capital and reserves			
Called up share capital	18	10.0	10.0
Capital reserve	19	(0.4)	0.5
Profit and loss account	19	(664.4)	(646.5)
Shareholder's funds		(654.8)	(636.0)

The financial statements of EDF Energy Customers PLC, registered number 2228297 on pages 7 to 24 were approved by the Board of Directors on 16 June 2010 and were signed on its behalf by



Thomas Kusterer
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 preparation

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

The financial statements have been prepared under the going concern concept because EDF Energy plc, the intermediate parent company, has agreed to continue to support the Company financially for at least 12 months from the date of signing these financial statements, and not to recall amounts advanced to the Company until the claims of all creditors have been met.

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.

Consolidation

The Company is exempt from preparing consolidated accounts as it is a wholly-owned subsidiary of EDF Energy plc, which prepares consolidated accounts which include the results of the company and will be publicly available.

Goodwill

Goodwill is the difference between the cost of an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities.

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight-line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Intangible fixed assets

Intangible fixed assets are stated at cost, net of depreciation and provision for impairment. The carrying values of intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and provision for impairment. The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of acquisition of each asset evenly over its expected useful life, as follows:

Information technology	—	Three to ten years
Tools and equipment	—	Five years
Meters	—	Twenty years
Fixtures and equipment	—	Four to five years
Motor vehicles	—	Five years

No depreciation is charged on assets in the course of construction until the asset is brought into use.

NOTES TO THE FINANCIAL STATEMENTS continued

1. Accounting policies continued

Investments

Fixed asset investments are shown at cost less any provision for impairment. Current asset investments are stated at the lower of cost and net realisable value.

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.

Leasing and hire purchase commitments

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

Pensions

The Company has obligations under two funded defined benefit pension arrangements as part of the EDF Energy plc group, and the Company accounts for these schemes in accordance with FRS 17 'Retirement Benefits', ("FRS 17")

The amounts charged to the profit and loss account are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately the costs are recognised over the period until vesting occurs. The interest cost and the expected return on the assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

The defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond or equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS continued

1. Accounting policies continued

Share based payments

EDF Energy plc's ultimate parent company, Electricité de France S A ("EDF") is partially listed on Euronext, the French stock exchange. Any share-based payments to employees are measured at fair value at the date the shares are issued. The fair value is measured using the Black-Scholes model, taking into account any preferential terms offered to staff such as discounts and free shares. Any Company contribution to the scheme is charged to the profit and loss account in the period in which it arises, at the fair value determined by the model. A corresponding amount is recognised as a capital contribution from EDF within equity.

Any repayment required to EDF is measured at the market value of the period end and recognised as a liability and reduced capital contribution.

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.

2 Turnover

Turnover, which is stated net of value added tax, arises entirely in the United Kingdom and is attributable to the continuing activities of the supply of electricity and gas and of meter reading and related services. This includes an estimate of the sales value of units supplied to customers between the date of the last meter reading and the year end.

3. Operating loss

	2009	2008
	£m	£m
This is stated after charging		
Depreciation of owned assets	23.8	20.4
Amortisation of goodwill	13.8	13.7
Amortisation of licences	38.9	38.9
Operating lease rentals - vehicles	5.6	5.4

In 2009 an amount of £109,000 (2008: £109,000) was paid to Deloitte LLP for audit services. This charge was borne by another Group company in both the current and prior year. In 2009, amounts payable to Deloitte LLP by the Company in respect of other assurance services was £29,963 (2008: £367,000).

NOTES TO THE FINANCIAL STATEMENTS continued

4. Directors' emoluments

All Directors are employees of EDF Energy plc. The Directors did not receive any remuneration for services to the Company during the year or preceding year.

No Director (2008: none) held any interests in the shares or debentures of the Company or the Group required to be disclosed under the Companies Act 2006.

Emoluments paid by other Group Companies to EDF Energy Customers plc Directors not disclosed in other Group accounts are as follows:

	2009 £000	2008 £000
Emoluments	500	379

	2009 Number	2008 Number
Members of defined benefit pension scheme	2	1

	2009 £000	2008 £000
Emoluments payable to the highest paid Director were as follows		
Aggregate emoluments	292	379

The highest paid Director is a member of the Company's defined benefit pension scheme and had accrued entitlements of £25,000 (2008: £27,000) under the scheme at the end of the year.

5 Staff costs

	2009 £m	2008 £m
Wages and salaries	176.5	157.6
Social security costs	13.7	12.3
Pension costs	9.3	14.7
Share Scheme payments (note 6)	1.5	3.2
Recharged to other Group companies	(2.4)	(5.8)
	197.8	182.0

The monthly average number of employees, including Directors, during the year was as follows:

	2009 Number	2008 Number
Administration	7,005	6,567

NOTES TO THE FINANCIAL STATEMENTS continued

6 Share based payments

ERO 2008

As part of EDF's public offering in 2008, employees of the Group on 12 September 2008 were offered shares under two preferential schemes, collectively known as the Employee Reserved Offering 2008 (ERO 2008). The details and benefits of these offers are summarised below

	Independent of Group savings plan	Within Group savings plan
Scheme name	Express2+	Maxi2
Company contribution up to £2,380		
– 110%	-	Up to £552
– 25%	-	up to £9,220
Free shares – 1 for 2	up to 10 free shares	-
1 for 4	up to £1,092 60	up to £1,092 60
Credit holding period	2 years	5 years
Non-transferability period	2 years	2 years
Attribution of free shares	3 years	3 years
Sales price (£)	52 00	52 00

Each benefit granted to employees in this sale was measured and recorded at grant date in accordance with FRS 20 'Share-based payment' ("FRS 20")

- For free shares, in addition to the cost of unavailability due to these shares being awarded after 3 years, the valuation also took into consideration the lack of dividends on these shares during the unavailability period
- Deferred payment terms were offered depending on the subscriber's options. For instance, depending on the scheme chosen, subscriptions could be paid up immediately upon award of the shares, or in three instalments over 2 years

43,758 shares were purchased by employees of the Company. The corresponding Company expense was £1.0m and was funded by EDF and therefore is reflected as a capital contribution in the Company accounts (see note 19)

ACT 2007

On 30 August 2007 the ultimate parent company, EDF announced ACT 2007, the Free Award Share Plan. This plan entitles all persons who, on 30 of August 2007, were bound by an employment contract with EDF Energy or one of its subsidiaries, a free distribution of EDF ordinary shares in accordance with the Rules and Regulations of the plan. Each beneficiary was notified of the number of shares, the vesting and holding periods applicable to them and had right of refusal of the plan.

Each employee who agreed to take part in the plan is guaranteed to receive 10 free shares. Over and above this, employees will receive an additional number of shares proportional to their salary, calculated on the basis of the actual paid June 2007 annual salary, excluding any other variable compensation items such as bonuses, profit sharing etc. The number of shares any one beneficiary can receive is capped at 50 shares.

NOTES TO THE FINANCIAL STATEMENTS continued

6. Share based payments continued

The Award and contract period is now final and the relevant beneficiaries have been issued the shares following the successful fulfilment of the Performance and Presence criteria, as explained below

- a) Performance Criteria This was based on the EDF group meeting their EBITDA target over the period 2006-2008
- b) Presence Criteria Each beneficiary was continuously bound by an employment contract with EDF Energy or one of it's subsidiaries throughout the vesting period

The beneficiary is now required to keep and not transfer the shares for the holding period relevant to them

ACT 2007 impact	2009 £m	2008 £m
At 1 January	0.5	(0.2)
Share based payment expense	1.5	2.2
Increase in future liability	(2.4)	(1.5)
At 31 December	(0.4)	0.5

The value of the shares granted during the period represents the charge in the Profit and Loss statement. This is accounted for at the share price (basic price) on date of announcement of the plan being €72.50 or £48.99. During 2008, the EDF Group purchased the shares in relation to the scheme at a price of €59.72 or £44.79. The liability at 31 December 2009 has been valued using this price.

7. Interest receivable and similar income

	2009 £m	2008 £m
Other interest receivable	2.7	3.1
On loans to other Group companies	0.1	7.3
	2.8	10.4

8. Interest payable and similar charges

	2009 £m	2008 £m
Net payable on pension scheme	2.5	0.5
On loans from other Group companies	1.4	6.1
On loans repayable in whole or in part after five years	-	7.0
Other interest payable	0.1	0.1
	4.0	13.7

9. Profit on acquisition of subsidiary

	2009 £000	2008 £000
British Energy Share Purchase	9.3	-

NOTES TO THE FINANCIAL STATEMENTS continued

10 Tax on loss on ordinary activities

(a) Analysis of tax charge in the year

UK current tax		
	2009	2008
	£m	£m
UK corporation tax charge/(credit) on profit/(loss) for the year	33.2	(99.6)
Adjustment in respect of previous periods	3.0	(0.3)
Total current tax charge/(credit) (note 10(b))	36.2	(99.9)
UK deferred tax		
Origination and reversal of timing differences	7.7	5.7
Adjustment in respect of previous periods	0.2	(0.3)
Total deferred tax charge for the year	7.9	5.4
Total tax charge/(credit) on profit/(loss) on ordinary activities	44.1	(94.5)

(b) Factors affecting tax charge for the year

The tax assessed for the period is higher (2008 higher) than the standard rate of corporation tax in the UK

The differences are explained below

	2009	2008
	£m	£m
Profit/(loss) on ordinary activities before tax	105.6	(374.3)
Tax on profit/(loss) on ordinary activities at standard UK rate of corporation tax of 28% (2008 28.5%)	29.6	(106.7)
Effect of		
Capital allowances in excess of depreciation	(5.2)	(2.9)
General provisions	-	(1.0)
Movement in pension liability	(2.9)	(2.8)
Amortisation and impairment of intangible assets	14.7	15.0
Other timing differences	0.5	0.9
Permanent differences	(3.5)	(2.1)
Adjustment in respect of previous periods	3.0	(0.3)
Current tax charge/(credit) for the year	36.2	(99.9)

NOTES TO THE FINANCIAL STATEMENTS continued

11 Goodwill

	£m
Cost	
At 1 January 2009	277 0
Additions	0 1
At 31 December 2009	277 1
Amortisation	
At 1 January 2009	126 9
Charge for the year	13 8
At 31 December 2009	140.7
Carrying amount	
At 31 December 2009	136 4
At 31 December 2008	150 1

Goodwill brought forward of £274 1m at cost relates to the purchase of the SWEB brand by EDF Energy Customers plc. Goodwill brought forward of £2 9m relates to the acquisition of the metering trade and assets from IMServ Europe Limited, an unconnected Company. Additional goodwill of £0 1m relates to CFS Siemens Revenue Protection.

Goodwill is being amortised over a period of 20 years on a straight-line basis. Annual impairment reviews are undertaken and any impairment in value is recognised once identified.

12 Intangible fixed assets

	Licences £m
Cost	
At 1 January 2009 and at 31 December 2009	516 0
Amortisation	
At 1 January 2009	256 7
Charge for the year	38 9
At 31 December 2009	295 6
Net book value	
At 31 December 2009	220.4
At 31 December 2008	259 3

On 1 September 2005 EDF Energy Customers plc entered into a licence with SEEBOARD Energy Limited and SEEBOARD Energy Gas Limited which resulted in these companies licensing their electricity and gas business (primarily being the SEEBOARD brand together with the customer lists and the right to service the customer contracts) associated therewith for 10 years. This agreement was entered into to facilitate the unification of the business under a single brand, within a single company.

Licences are amortised over the periods noted above. Annual impairment reviews are undertaken and any impairment in value is recognised once identified.

NOTES TO THE FINANCIAL STATEMENTS continued

13 Tangible fixed assets

	Information Technology	Meters	Other	Total
	£m	£m	£m	£m
Cost				
At 1 January 2009	256.5	14.5	7.3	278.3
Additions	53.5	1.4	2.3	57.2
Disposals	(2.6)	-	-	(2.6)
At 31 December 2009	307.4	15.9	9.6	332.9
Depreciation				
At 1 January 2009	123.7	7.2	3.3	134.2
Charge for the year	22.4	0.6	0.8	23.8
Disposals depreciation	(1.5)	-	-	(1.5)
At 31 December 2009	144.6	7.8	4.1	156.5
Net book value				
At 31 December 2009	165.0	8.1	3.3	176.4
At 31 December 2008	132.8	7.3	4.0	144.1

Included within tangible fixed assets are assets in the course of construction of £125.0m as at 31 December 2009 (2008 £75.5m)

14. Investments in subsidiary undertakings

	Shares £m
At 1 January 2009 and 31 December 2009	0.1

The principal subsidiary undertakings at 31 December 2009, which are incorporated in Great Britain and are registered and operate in England and Wales (unless otherwise stated), are as follows

	Description of ordinary shares held	Percentage of ordinary shares held	Principal activity
EDF Energy 1 Limited	Ordinary A £0.10 Ordinary B £0.01	100% 100%	Electricity and gas supply
EDF Energy HomePhone Limited	Ordinary A £0.10 Ordinary B £0.01 Ordinary C £0.10	100% 100% 100%	Non-trading
SEEBOARD Energy Limited	Ordinary £1.00	100%	Licence holder
SEEBOARD Energy Gas Limited*	Ordinary £1.00	100%	Licence holder
British Energy Direct Limited	Ordinary £1.00	100%	Electricity supply

* Indirectly held

NOTES TO THE FINANCIAL STATEMENTS continued

15. Debtors

	2009 £m	2008 £m
Debtors: amounts falling due within one year		
Billed trade debtors	363 9	478 5
Unbilled trade debtors	696 6	832 0
Amounts owed by other Group companies	319 0	239 9
Corporation tax (Group relief receivable)	51 3	129 8
Prepayments and accrued income	53 4	51 9
	1,484 2	1,732 1

16. Creditors: amounts falling due within one year

	2009 £m	2008 £m
Bank overdraft	634 6	67 3
Borrowings from other Group companies (see below)	105 6	105 6
Trade creditors	83 4	95 0
Amounts owed to Group undertakings	1,180.4	2,193 7
Other creditors	100.8	87 2
Payments on account	366.0	249 0
Other taxation and social security	40.5	56 2
Accruals and deferred income	65.5	46 7
Amounts owed for share based payments	-	2 4
	2,576.8	2,903 1

Borrowings represent amounts due to other Group Companies. This balance bears interest based on the LIBOR rate and is repayable on demand.

17 Provisions for liabilities and charges

The movements in provisions during the current year are as follows

	At 1 January 2009 £m	Arising during the year £m	At 31 December 2009 £m
Deferred Tax	0 2	4 9	5.1

NOTES TO THE FINANCIAL STATEMENTS continued

17 Provisions for liabilities and charges continued

The movements in the deferred taxation asset during the current year are as follows

	2008	Profit and loss	Statement of total recognised gains and losses	2009
	£m	£m	£m	£m
Deferred taxation	(0.2)	(5.0)	0.1	(5.1)
Deferred tax shown against pension liability (note 21)	7.2	(2.9)	30.8	35.1
Deferred tax asset	7.0	(7.9)	30.9	30.0

Deferred taxation provided in the financial statements is as follows

	2009 £m	2008 £m
Accelerated capital allowances	(11.0)	(5.5)
Short term timing differences	5.9	5.3
Deferred tax liability	(5.1)	(0.2)

18. Share capital

Authorised, allotted, called up and fully paid

	2009 Number	2008 Number	2009 £m	2008 £m
Ordinary shares of £1.00 each	10,000,000	10,000,000	10.0	10.0

19 Reconciliation of shareholder's deficit

	Share capital	Capital reserve	Profit and loss account	Total shareholder's funds
	£m	£m	£m	£m
At 1 January 2008	10.0	(0.2)	(365.6)	(355.8)
Loss for the year	-	-	(279.8)	(279.8)
Actuarial loss net of deferred tax on defined benefits pension	-	-	(1.1)	(1.1)
Share based payments (note 6)	-	0.7	-	0.7
At 31 December 2008	10.0	0.5	(646.5)	(636.0)
Profit for the year	-	-	61.5	61.5
Actuarial loss net of deferred tax on defined benefits pension	-	-	(79.4)	(79.4)
Share based payments (note 6)	-	(0.9)	-	(0.9)
At 31 December 2009	10.0	(0.4)	(664.4)	(654.8)

NOTES TO THE FINANCIAL STATEMENTS continued

20 Other financial commitments

Operating lease commitments

At 31 December 2009 the Company had annual commitments under non-cancellable operating leases as set out below

	Vehicles 2009 £m	Vehicles 2008 £m
Operating leases which expire		
Within one year	0.2	0.9
In two to five years	3.3	10.2
	3.5	11.1

21 Pension commitments

Employees of the Company participate in a number of group-wide funded defined benefit pension arrangements, and the Company accounts for these schemes in accordance with FRS 17

The principal pension schemes of EDF Energy plc are the EDF Energy Pension Scheme (EEPS) and the EDF Energy Group of the Electricity Supply Pension Scheme (ESPS). Both of these schemes are defined benefit schemes. On 1 September 2006 the EDF Energy Group of the ESPS was created by the merger of the Company's two ESPS Groups, the London Electricity Group of the ESPS and the SEEBOARD Group of the ESPS. The London Electricity group and SEEBOARD group of the ESPS closed to new employees in April 1994 and July 1995 respectively. New employees were offered membership of the following schemes, the SEEBOARD Final Salary Pension Plan, the London Electricity 1994 Retirement Plan (LERP), the 24seven Group Personal Pension Plan (24seven GPP), and the SEEBOARD Pension Investment Plan. The first of these schemes was a defined benefit scheme whilst all the others are defined contribution schemes.

The EDF Energy Group closed its non-ESPS pension arrangements (the London Electricity 1994 Retirement Plan, the SEEBOARD Final Salary Pension Plan, the SEEBOARD Pension Investment Plan, and the 24seven Group Personal Pension Plan) with effect from 29 February 2004. A new scheme, the EDF Energy Pension Scheme, a final salary arrangement, replaced these for future service from 1 March 2004. A special contribution of £2m was made to the EDF Energy Pension Scheme at inception, and the regular ongoing employer's contribution has been assessed as 10% of pensionable pay. This contribution rate will be reviewed as a result of future actuarial valuations.

The latest full actuarial valuation of the EDF Energy Group of the ESPS and EEPS was carried out by Hewitt Bacon & Woodrow, consulting actuaries, as at 31 March 2007. The valuation was agreed on 25 January 2008, at the same time that a special contribution was agreed to fund the ESPS deficit over an 8 year period to 31 March 2015. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

NOTES TO THE FINANCIAL STATEMENTS continued

21 Pension commitments continued

The principal financial assumptions used to calculate ESPS liabilities under FRS 17 were

	31 December 2009 % p a	31 December 2008 % p a
Discount rate	5.7	6.5
Inflation assumption	5.6	2.6
Rate of increase in salaries		
- ESPS	5.6	4.6
- EEPS	5.3	4.1
Rate of increase of pensions increases		
- full retail price indexation ("RPI")	3.6	2.6
- RPI up to 5% (EEPS – service to 31 March 2006)	3.5	2.6
- RPI up to 2.5% (EEPS – service from 31 March 2006)	2.3	2.0

The table below shows details of assumptions around mortality rates used to calculate the FRS17 ESPS liabilities

	31 December 2009 years	31 December 2008 years
Life expectancy for current male pensioner aged 60	27.2	27.0
Life expectancy for current female pensioner aged 60	30.5	30.4
Life expectancy for future male pensioner currently aged 40 from age 60	30.0	29.9
Life expectancy for future female pensioner currently aged 40 from age 60	31.8	31.7

These assumptions are governed by FRS 17 and do not reflect the assumptions used by the independent actuary in the triennial valuation as at 31 March 2007, which determined the Company's contribution rate for future years

NOTES TO THE FINANCIAL STATEMENTS continued

21. Pension commitments continued

The amount recognised in the balance sheet in respect of the Company's defined benefit retirement benefit plan is as follows

	2009 £m	2008 £m
Fair value of scheme assets	374 0	295 9
Present value of defined benefit obligations	(499 5)	(321 5)
Deficit in scheme	(125 5)	(25 6)
Related deferred tax asset	35 1	7 2
Liability recognised in the balance sheet	(90 4)	(18 4)

This amount is presented in pension liabilities

Amounts recognised in expenses in respect of these defined benefit schemes are as follows

	ESPS 2009 £m	EEPS 2009 £m	Total 2009 £m	Total 2008 £m
Current service cost	(4 3)	(5 0)	(9 3)	(14 7)
Interest cost	(17 4)	(2 5)	(19 9)	(21 9)
Expected return on scheme assets	14 0	3 4	17 4	21 4
Credit arising on change in pension scheme rules	-	-	-	6 3
	(7 7)	(4 1)	(11.8)	(8 9)

Of the charge for the year £9.3m (2008 £14.7m) has been included in administrative expenses and an expense of £2.5m (2008 expense of £0.5m) has been included in interest. The estimated amount of contributions expected to be paid to the scheme during 2010 is £22.2m

Movements in the present value of defined obligations in the current period were as follows

	ESPS 2009 £m	EEPS 2009 £m	Total 2009 £m	Total 2008 £m
At 1 January	(271 5)	(50 0)	(321.5)	(381 6)
Service cost	(4 3)	(5 0)	(9.3)	(14 7)
Interest cost	(17 4)	(2 5)	(19.9)	(21 9)
Actuarial (loss)/gain	(85 5)	(56 2)	(141.7)	79 9
Credit arising on change in pension scheme rules	-	-	-	6 3
Bulk transfers in	(15 7)	-	(15.7)	-
Benefits paid	13 9	(5 3)	8.6	10 5
At 31 December	(380 5)	(119 0)	(499.5)	(321 5)

NOTES TO THE FINANCIAL STATEMENTS continued

21 Pension commitments continued

Movements in the present value of fair value of scheme assets in the current period were as follows

	ESPS 2009 £m	EEPS 2009 £m	Total 2009 £m	Total 2008 £m
At 1 January	240 4	55 5	295 9	347 3
Expected return on scheme assets	14 0	3 4	17 4	21 4
Actuarial gain/(loss)	21 8	9 2	31 0	(81 3)
Contributions by employer	5 6	9 6	15 2	13 5
Deficit Payments	6 7	0 4	7 1	5 5
Bulk transfers in	16 0	-	16 0	-
Benefits paid	(13 9)	5 3	(8 6)	(10 5)
At 31 December	290 6	83 4	374 0	295 9

The analysis of the scheme assets and the expected rate of return at the balance sheet date were as follows

	Expected return		Fair value of assets			
	ESPS EEPS 2009 %	ESPS EEPS 2008 %	ESPS 2009 £m	EEPS 2009 £m	Total 2009 £m	Total 2008 £m
Gilts – fixed	4 6	3 9	31 1	-	31 1	66 8
– index linked	4 5	3 8	32 9	-	32 9	31 6
Equities	8 2	7 5	124 7	27 2	151 9	130 6
Property	8 7	6 5	6 3	1 9	8 2	6 7
Corporate bonds	5 9	5 6	82 4	26 0	108 4	44 0
Cash	0 7	3 2	13 2	7 6	20 8	0 3
LERPS			-	20 7	20 7	15 9
			290 6	83 4	374 0	295 9

EDF Energy plc group employs a building block approach in determining the long term rate of return on pension plan assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed long term rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for each of ESPS and EEPS as at 31 December 2009.

The actual return on scheme assets in the year was a gain of £48 5m (2008: loss £60 0m)

NOTES TO THE FINANCIAL STATEMENTS continued

21. Pension commitments continued

History of experience gains and losses are as follows

	2009 £m	2008 £m	2007 £m	2006 £m	2005 £m
Fair value of scheme assets	374.0	295.9	347.3	296.2	213.8
Present value of defined benefit obligations	(499.5)	(321.5)	(381.6)	(335.9)	(262.0)
Deficit in the scheme	(125.5)	(25.6)	(34.3)	(39.7)	(48.2)
Experience adjustments on scheme liabilities					
Amount (£m)	(3.6)	4.9	(14.3)	(0.3)	(1.1)
Percentage of scheme liabilities	0.7%	(1.5)%	3.7%	0.1%	0.4%
Experience adjustments on scheme assets					
Amount (£m)	44.0	(81.4)	0.7	2.7	16.9
Percentage of scheme assets	11.8%	(27.5)%	0.2%	0.9%	7.9%

The amounts recognised in the statement of total recognised gains and losses are as follows

	ESPS 2009 £m	EEPS 2009 £m	Total 2009 £m	Total 2008 £m
At 1 January	(9.9)	9.0	(0.9)	0.2
Actuarial (loss) / gain	(63.2)	(47.0)	(110.2)	(1.5)
Deferred taxation	17.7	13.1	30.8	0.4
At 31 December	(55.4)	(24.9)	(80.3)	(0.9)

22. 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

23 Parent undertaking and controlling party

CSW Investments holds a 100% interest in EDF Energy Customers Plc 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

At 31 December 2009, 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