



**EDF ENERGY (SOUTH EASTERN SERVICES) LIMITED**

**Registered Number 2743900**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**31 DECEMBER 2005**



## CONTENTS

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**Page:**

|          |  |
|----------|--|
| <b>2</b> | Directors' report                        |
| <b>3</b> | Statement of Directors' responsibilities |
| <b>4</b> | Independent auditors' report             |
| <b>5</b> | Profit and loss account                  |
| <b>6</b> | Balance sheet                            |
| <b>7</b> | Notes to the financial statements        |

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### **Directors**

Humphrey A E Cadoux-Hudson  
Paul Cuttill

### **Secretary**

Robert Ian Higson

### **Auditors**

Deloitte & Touche LLP  
London

### **Registered Office**

40 Grosvenor Place  
Victoria  
London  
SW1X 7EN

## DIRECTORS' REPORT

The Directors present their report and financial statements for the year ended 31 December 2005.

### Principal activity and review of the business

The principal activity of the Company is property management.

### Results and dividends

The profit for the year before taxation, amounted to £231,000 (2004: £201,000) and after taxation, to £162,000 (2004: £140,000). The Directors do not recommend payment of a dividend (2004: £nil).

### Directors and their interests

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

|                            |   |
|----------------------------|---|
| Humphrey A E Cadoux-Hudson |   |
| Maria H Maes               | (resigned 12 <sup>th</sup> October 2006)  |
| Paul Cuttill               | (appointed 13 <sup>th</sup> October 2006) |

None of the Directors has a service contract with the Company. They are both employed by the parent Company, EDF Energy plc, and have service contracts with that company.

There were no contracts of significance during or at the end of the financial year in which a director of the Company was materially interested.

Neither of the Directors who held office at the end of the financial year had any interests in the shares of the Company or any other Group company required to be disclosed under the Companies Act 1985.

### Political and charitable contributions

The Company made no charitable contributions and no political contributions in either year.

### 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 are 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. Trade creditor days at 31 December 2005 were nil days based on the ratio of trade creditors at the end of the year to the amounts invoiced during the year by trade creditors. The Company has no trade creditors as at 31 December 2005.

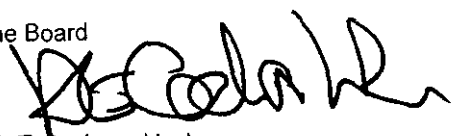
### Financial risk management

The company's approach to financial risk management is described in the notes to the financial statements.

### Auditors

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors. A resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By order of the Board



Humphrey A E Cadoux-Hudson  
Director

Date

27 October 2006 .

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper accounting records which 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 1985. 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 EDF ENERGY (SOUTH EASTERN SERVICES) LIMITED

We have audited the individual company financial statements (the "financial statements") of EDF Energy (South Eastern Services) Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with the relevant framework, and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

London

Date

27 October 2006

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2005**

|  | <i>Note</i> | <b>2005<br/>£000</b> | <b>2004<br/>£000</b> |
|--|-------------|----------------------|----------------------|
| Turnover   | 2           | 445                  | 289                  |
| Cost of sales  |             | (95)                 | (42)                 |
| <b>Gross profit</b>                                  |             | <b>350</b>           | <b>247</b>           |
| Administrative expenses                              |             | (119)                | (46)                 |
| <b>Profit on ordinary activities before taxation</b> | 3           | <b>231</b>           | <b>201</b>           |
| Tax on profit on ordinary activities                 | 5           | (69)                 | (61)                 |
| <b>Retained profit for the financial year</b>        | 10          | <b>162</b>           | <b>140</b>           |

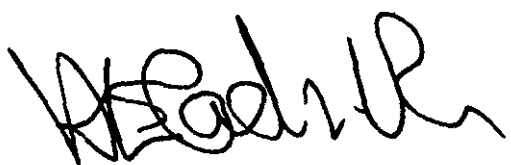
There were no recognised gains or losses in either year other than the profit for that year.

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

**BALANCE SHEET**  
**AT 31 DECEMBER 2005**

|   | Note | 2005<br>£'000 | 2004<br>£'000 |
|---|------|---------------|---------------|
| <b>Fixed assets</b>                                   |      |               |               |
| Tangible fixed assets                                 | 6    | 660           | 660           |
| <b>Current assets</b>                                 |      |               |               |
| Debtors   | 7    | 558           | 200           |
| Cash in hand and at bank                              |      | 349           | 416           |
|   |      | 907           | 616           |
| <b>Creditors: amounts falling due within one year</b> | 8    | (482)         | (353)         |
| <b>Net current assets</b>                             |      | 425           | 263           |
| <b>Net assets</b>                                     |      | 1,085         | 923           |
| <b>Capital and reserves</b>                           |      |               |               |
| Called up share capital                               | 9    | 660           | 660           |
| Profit and loss account                               | 10   | 425           | 263           |
| <b>Equity shareholder's funds</b>                     | 10   | 1,085         | 923           |

The financial statements on pages 5 to 9 were approved by the Board of Directors on 27 October 2006 and were signed on its behalf by:



Humphrey A E Cadoux-Hudson  
Director

## NOTES TO THE FINANCIAL STATEMENTS Continued

### 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 law and applicable United Kingdom accounting standards.

#### 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.

#### Tangible fixed assets

Freehold land is stated at cost and is not depreciated.

#### Turnover

Revenue is recognised on long term leases on a straight line basis over the lease term with reference to amounts chargeable under the lease and reported in turnover. Amounts unpaid at the year end are included in debtors.

#### 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.

#### Financial risk management

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk. Due to the nature of the Company's business and the assets and liabilities contained within the Company's balance sheet the only financial risks the directors consider relevant to this company are credit risk and liquidity risk.



## NOTES TO THE FINANCIAL STATEMENTS Continued

### 2. Turnover

Turnover, which is stated net of value added tax, arises entirely in the United Kingdom and is attributable to the continuing activity of the property management business.

### 3. Profit on ordinary activities before taxation

In both 2005 and 2004, amounts payable to Deloitte & Touche LLP and their associates by the Company in respect of audit services were borne by another Group company.

EDF Energy (South Eastern Services) Ltd had no direct staff costs in 2005 (2004: £nil) as no staff are employed by the company.

### 4. Directors' emoluments

All Directors are employees of EDF Energy plc and did not receive any remuneration from or in respect of the Company during the year or the prior year.

### 5. Tax on profit on ordinary activities

Analysis of tax charge in the year

|   | 2005<br>£000 | 2004<br>£000 |
|---|--------------|--------------|
| UK current tax  | 69           | 61           |
| UK corporation tax charge on profit for the year at 30% (2004: 30%) |              |              |
| Total current tax charge  | 69           | 61           |

UK corporation tax represents tax at the standard UK rate of 30% in both years.

### 6. Tangible fixed assets

The net book value of freehold land as at 31 December 2004 and 31 December 2005 is £660,000.

### 7. Debtors

|                                | 2005<br>£000 | 2004<br>£000 |
|--------------------------------|--------------|--------------|
| Trade debtors                  | 558          | 15           |
| Prepayments and accrued income | -            | 185          |
|                                | 558          | 200          |

### 8. Creditors: amounts falling due within one year

|                                       | 2005<br>£000 | 2004<br>£000 |
|---------------------------------------|--------------|--------------|
| Payments received on account          | 62           | -            |
| Amounts owed to other Group companies | 79           | 79           |
| Trade creditors                       | -            | 95           |
| Corporation tax (Group payments)      | 169          | 118          |
| Accruals and deferred income          | 18           | 61           |
| Other taxation and social security    | 59           | -            |
| Other creditors                       | 95           | -            |
|                                       | 482          | 353          |

## NOTES TO THE FINANCIAL STATEMENTS Continued

### 9. Share capital

Authorised

|                                      | 2005  | 2004  |
|--------------------------------------|-------|-------|
|                                      | £000  | £000  |
| 1,000,000 ordinary shares of £1 each | 1,000 | 1,000 |

Allotted, called up and fully paid

|                            | 2005<br>Number | 2004<br>Number | 2005<br>£000 | 2004<br>£000 |
|----------------------------|----------------|----------------|--------------|--------------|
| Ordinary shares of £1 each | 660,000        | 660,000        | 660          | 660          |

### 10. Reconciliation of shareholder's funds and movement on reserves

|                     | Share<br>capital<br>£000 | Profit and<br>loss account<br>£000 | Total<br>Shareholder's<br>funds<br>£000 |
|---------------------|--------------------------|------------------------------------|---|
| At 1 January 2004   | 660                      | 123                                | 783                                     |
| Profit for the year | -                        | 140                                | 140                                     |
| At 31 December 2004 | 660                      | 263                                | 923                                     |
| Profit for the year | -                        | 162                                | 162                                     |
| At 31 December 2005 | 660                      | 425                                | 1,085                                   |

### 11. Related parties

In accordance with FRS 8 "Related parties 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.

### 12. Parent undertaking and controlling party

EDF Energy (Asset management) Ltd holds a 100% interest in EDF Energy (South Eastern Services) Limited and is considered to be the immediate parent company. CSW Investments is the smallest group for which consolidated financial statements are prepared which include the results of the Company. Consolidated accounts are available from EDF Energy plc, 40 Grosvenor Place, Victoria, London, SW1X 7EN.

At 31 December 2005, 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.