



SEEBOARD ENERGY LIMITED

Registered Number 3043088

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2007

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Directors

Humphrey A E Cadoux-Hudson
Eva K Eisenschimmel

Company 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 2007

Principal activity and review of the business

On 1 September 2005, SEEBOARD Energy Limited entered into an agreement to enable EDF Energy Customers plc, a fellow Group company, to service the existing Seaboard customer contracts under the EDF Energy Brand. This agreement lasts until August 2015 and provides access to business synergies, whilst positioning the Group for the future. The total licence fee of £464m will be recognised over the 10 year term of this agreement.

Results and dividends

The profit for the year, before taxation, amounted to £46.4m (2006: £46.4m) and after taxation, to £32.8m (2006: £42.1m). The Directors do not recommend payment of a dividend (2006: £nil).

EDF Energy plc manages the Company's operations on a group basis. For this reason and as a result of the nature of this Company, the 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 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
Vincent de Rivaz (resigned 3 December 2007)
Eva K Eisenschimmel

None of the Directors has a service contract with the Company. 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.

Principal risk and uncertainties

The Company considers its principal risk to arise from financial risk, and is exposed to financial risk through its financial assets and liabilities. The key financial risk is the risk that proceeds from financial assets are not sufficient to fund 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.

DIRECTORS' REPORT continued

Credit and liquidity risk

The Company's exposure to these risks 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.

The Group's risks are discussed in the Group's Annual Report, which does not form part of this report.

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 s234ZA of the Companies Act 1985.

Auditors

Deloitte & Touche LLP will be re-appointed as the Company's Auditors in accordance with the elective resolution passed by the Company under section 386 of the Companies Act 1985.

By order of the Board



Robert Ian Higson
Company Secretary
Date

5th June 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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). The financial statements are required by law to 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 estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, 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 that 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 SEEBOARD ENERGY LIMITED

We have audited the financial statements of SEEBOARD Energy Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 15. 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

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant 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 and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

London

Date *5 June 2008*

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	<i>Notes</i>	2007 £m	2006 £m
Turnover	2,4	46.4	46 4
Operating profit	3	46.4	46 4
Profit on ordinary activities before taxation		46.4	46 4
Tax on profit on ordinary activities	7	(13.6)	(4 3)
Profit for the financial year	13	32.8	42 1
Amounts invoiced to customers as agent	2	522.9	558.9

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

All results are from continuing operations.

**BALANCE SHEET
AT 31 DECEMBER 2007**

	<i>Notes</i>	2007 £m	2006 £m
Fixed assets			
Investments in subsidiary undertakings	8	6.0	6 0
		6.0	6 0
Current Assets			
Debtors amounts falling due within one year	9	504.0	508 9
Cash		109.0	122 0
		613.0	630 9
Creditors amounts falling due within one year	10	(46.4)	(50 7)
Net current assets		566.6	580 2
Total assets less current liabilities		572.6	586 2
Creditors amounts falling due after one year	11	(309.3)	(355 7)
Net assets		263.3	230 5
Capital and reserves			
Called up share capital	12	0.1	0 1
Profit and loss account	13	263.2	230 4
Shareholders' funds	13	263.3	230 5

The financial statements on pages 6 to 12 were approved by the Board of Directors on 5th June 2008 and were signed on its behalf by



Humphrey A E Cadoux-Hudson
Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

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 on a consistent basis under the historical cost convention and in accordance with applicable law and United Kingdom Generally Accepted Accounting Practices (UK GAAP).

Consolidation

The Company is exempt from preparing consolidated financial statements as it is a wholly owned subsidiary of EDF Energy plc, which prepares consolidated financial statements which include the results of the Company and are publicly available (see note 15).

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 financial statements include a cash flow statement and will be publicly available (see note 15).

Investments

Fixed asset investments are shown at cost less any provision for impairment.

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 revalued fixed assets only where there is a commitment to dispose of the revalued assets and the attributable gain can neither be rolled over or 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 continued

2. Turnover

Turnover, which is stated net of value added tax, arises entirely in the United Kingdom and is attributable to the continuing operation of licence income. The Company entered into an agreement to licence its customers to a fellow Group undertaking, EDF Energy Customers plc on 1 September 2005, for licence income of £464m. This is being recognised over the term of the 10 year agreement.

The Company acts as an agent for EDF Energy Customers plc by collecting these payments from customers whose right to supply has been licensed. As the Company makes no profit on these invoiced amounts and acts as a disclosed agent on behalf of EDF Energy Customers plc, turnover and associated costs are shown net in the profit and loss account.

3. Operating profit

In 2007 an amount of £11,000 (2006 £10,000) was paid to Deloitte & Touche LLP for audit services. This charge was borne by another Group company in both the current and prior year. In 2007, amounts payable to Deloitte & Touche LLP by the Company in respect of non-audit services were £nil (2006 £nil).

4. Licence income

	2007	2006
	£m	£m
Licence income	46.4	46.4

On 1 September 2005 EDF Energy Customers plc entered into a licence with the Company which resulted in the Company licensing its electricity business (primarily being the Seeboard brand together with customer lists and the right to service the customer contracts associated therewith) for 10 years. The agreement was entered into to facilitate the unification of the business under a single brand that has now been achieved. The income from this licence is being recognised in the profit and loss account over the 10 year term of the licence.

5. 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 (2006 none) held any interests in the shares or debentures of the Company or the Group.

6. Staff costs

There were no employees in either the current or preceding year.

NOTES TO THE FINANCIAL STATEMENTS continued

7 Tax on profit on ordinary activities

(a) Analysis of tax charge in the year

UK current tax

	2007 £m	2006 £m
UK corporation tax charge on profit for the year	9.6	4.3
Adjustments in respect of previous periods	4.0	-
Total current tax charge (note 7(b))	13.6	4.3

(b) Factors affecting tax charge for the year

	2007 £m	2006 £m
The tax assessed for the period is lower (2006 lower) than the standard rate of corporation tax in the UK (30%)		
The differences are explained below		
Profit on ordinary activities before tax	46.4	46.4
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 30%)	13.9	13.9
Effect of		
Non-taxable profit on intra-group licence	(13.9)	(13.9)
Other permanent differences	9.6	4.3
Adjustment in respect of previous periods	4.0	-
Current tax charge for the period	13.6	4.3

NOTES TO THE FINANCIAL STATEMENTS continued

8. Investments in subsidiary undertakings

	Shares £m
Cost	
At 1 January 2007 and 31 December 2007	6.0

The principal subsidiary undertaking at 31 December 2007, which is incorporated in Great Britain and registered and operates in England and Wales, is as follows

	Percentage of ordinary shares held	Principal activity
SEEBOARD Energy Gas Limited	100%	Licence holder

9. Debtors: amounts falling due within one year

	2007 £m	2006 £m
Amounts owed by other Group companies	504.0	508.9

Amounts owed by other Group companies are non-interest bearing and are repayable on demand

10 Creditors: amounts falling due within one year

	2007 £m	2006 £m
Accruals and deferred income	46.4	46.4
Corporation tax (Group payments)	-	4.3
	46.4	50.7

In September 2004 SEEBOARD Energy Limited, together with other Group undertakings, entered into a commercial paper securitisation programme involving the sale of billed and unbilled trade debtors to a trust. Interest is charged on trade debtors securitised at a margin above LIBOR. The total facility available under the programme is £350m. SEEBOARD Energy Limited is jointly liable with other Group undertakings for the total amount of the funds advanced, which totalled £50m at 31 December 2007 (2006 £340m). The Company has no borrowings under this facility.

Deferred income represents the balance of licence income (see note 4) that falls due within one year from the balance sheet date.

11. Creditors: amounts falling due after one year

	2007 £m	2006 £m
Accruals and deferred income	309.3	355.7

Deferred income represents the balance of licence income (see note 4) that falls due after one year from the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS continued

12. Share capital

Authorised

	2007 Number	2006 Number	2007 £m	2006 £m
Ordinary shares of £1 each	100,000	100,000	0.1	0.1

Allotted, called up and fully paid

	2007 Number	2006 Number	2007 £m	2006 £m
Ordinary shares of £1 each	52,000	52,000	0.1	0.1

13. Reconciliation of shareholders' funds and movement on reserves

	Share capital £m	Profit and loss account £m	Total £m
At 1 January 2006	0.1	188.3	188.4
Profit for the year	-	42.1	42.1
At 31 December 2006	0.1	230.4	230.5
Profit for the year	-	32.8	32.8
At 31 December 2007	0.1	263.2	263.3

14. 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 financial statements which are publicly available (see note 15)

15. Parent undertaking and controlling party

EDF Energy Customers plc held a 100% interest in SEEBOARD Energy Limited and is considered to be the immediate parent company. EDF Energy plc heads the smallest group for which consolidated financial statements are prepared which included the results of the Company. Copies of that company's consolidated financial statements are available from 40 Grosvenor Place, Victoria, London SW1X 7EN.

At 31 December 2007, 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, 22-30 Avenue de Wagram, 75382, Paris, Cedex 08, France.