EDF ENERGY

EDF ENERGY NETWORKS (SPN) PLC

Registered Number 3043097

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2004

CONTENTS

Page:

Directors

Vincent de Rivaz
Paul Cuttill
Humphrey A E Cadoux-Hudson

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 2004.

Principal activity and review of the business

The Company's principal activity during the year continued to be the distribution of electricity to domestic, commercial and industrial customers through network ownership, management, operation, maintenance and renewal. It will continue in this activity for the foreseeable future.

Results and dividends

The profit for the year, before taxation, amounted to £56.6m (2003: £50.2m) and after taxation, to £40.4m (2003: £40.0m). The Directors do not recommend payment of a dividend (2003: £nil).

Future Developments

The directors aim to deliver the right balance of customer service and shareholder return through efficient investment in the Network within the boundaries of the price control allowances.

Directors and their interests

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

Vincent de Rivaz
Paul Cuttill
Humphrey A E Cadoux-Hudson

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

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

None 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

During the year, the Company made no charitable contributions (2003: £6,100) and no political contributions in either year.

DIRECTORS' REPORT Continued

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. At 31 December 2004, the Company had an average of 41 days (2003: 3 days) purchases outstanding in its trade creditors.

Auditors

Deloitte & Touche LLP were appointed as auditors in the current year, following the resignation of Ernst & Young LLP. Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By order of the Board

Robert Ian Higson
Company Secretary
Date 11 April 2005

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.

The directors confirm that they have complied with these requirements and having a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, continue to adopt the going concern basis in preparing the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDF ENERGY NETWORKS (SPN) PLC

We have audited the financial statements of EDF Energy Networks (SPN) plc for the year ended 31 December 2004 which comprise the profit and loss account, the balance sheet, and the related notes numbered 1 to 24. These financial statements have been prepared on the basis of 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 United Kingdom law and accounting standards. They are also responsible for the preparation of the other information contained in the annual report. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 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 and other members of the group is not disclosed.

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

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company, 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 of the state of affairs of the Company as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London
11 April 2005

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2004

	Note	2004 £m	2003 £m
Turnover	2	**195.9**	214.0
Cost of sales		**(10.0)**	(19.5)
Gross profit		**185.9**	194.5
Distribution costs		**(100.1)**	(107.8)
Administrative expenses		**(0.3)**	(4.3)
Operating profit	3	**85.5**	82.4
Profit on disposal of fixed assets		**0.2**	-
Profit on ordinary activities before interest and taxation		**85.7**	82.4
Interest receivable and similar income	6	**0.5**	0.4
Interest payable and similar charges	7	**(29.6)**	(32.6)
Profit on ordinary activities before taxation		**56.6**	50.2
Tax on profit on ordinary activities	8	**(16.2)**	(10.2)
Retained profit for the financial year	18	**40.4**	40.0

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 2004

	Note	2004 £m	2003 £m
Fixed assets			
Tangible assets	9	**848.7**	785.9
Current assets			
Debtors falling due within one year	10	**27.3**	45.9
Debtors falling due after more than one year	11	**-**	1.1
Cash at bank and in hand		**0.3**	19.6
		27.6	66.6
Creditors: amounts falling due within one year	12	**(182.6)**	(107.1)
Net current liabilities		**(155.0)**	(40.5)
Total assets less current liabilities		**693.7**	745.4
Creditors: amounts falling due after more than one year	13	**(348.4)**	(449.8)
Provision for liabilities and charges	16	**(179.9)**	(170.6)
Net assets		**165.4**	125.0
Capital and reserves			
Called up share capital	17	**0.1**	0.1
Profit and loss account	18	**165.3**	124.9
Equity shareholder's funds	18	**165.4**	125.0

The financial statements on pages 6 to 17 were approved by the Board of Directors on 11/04/05 and were signed on its behalf by:

Paul Cuttill
Director

Humphrey A E Cadoux-Hudson
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 accounting standards, except as noted below in respect of tangible fixed assets.

The Company is following the transitional arrangements of FRS 17 'Retirement benefits'. Full adoption of the standard is required by the year ended 31 December 2005.

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

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 other than freehold land, at rates calculated to write off the cost of acquisition of each asset evenly over its expected useful life, as follows:

Overhead and underground lines	–	45 to 60 years
Other network plant and buildings	–	20 to 60 years
Fixtures and equipment	–	5 years

Capital contributions in respect of capital expenditure are credited to a fixed asset account and are released to the profit and loss account over the expected useful lives of the relevant assets by equal annual instalments. The un-amortised amount of such contributions is shown as a deduction from fixed assets. This is a departure from the Companies Act 1985, which requires fixed assets to be included at their purchase price or production cost and hence the contribution would be presented as deferred income. However, contributions relate directly to the cost of fixed assets used in the distribution network and it is the opinion of the Directors that the treatment adopted is necessary to give a true and fair view. The value of the contributions is shown in note 9.

Finance Costs

Finance costs of debt are recognised in the profit and loss account over the term of such instruments, at a constant rate on the carrying amount.

Debt

Debt is initially stated at the amount of the net proceeds after deduction of issue costs. The carrying amount is increased by the finance cost in respect of the accounting period and reduced by payments made in the period.

NOTES TO THE FINANCIAL STATEMENTS Continued

1. Accounting policies continued

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.

Derivatives and other financial instruments

The Company holds or issues financial instruments for two main purposes:

- to finance its operations; and

- to manage the interest rate and currency risks arising from its sources of finance.

The Company finances its operation by a mixture of retained profits, bank borrowings, medium-term loans, long-term loans and commercial paper. The Company has borrowings denominated in Sterling at both fixed and floating rates of interest. The main risks arising from the Company's financial instruments are interest rate risk. The Company's policy for managing these risks is summarised as below and is defined in statements authorised by the Board of Directors and reviewed on an annual basis. Authority for managing risk consistent with this corporate policy may be delegated by the Board to, amongst others, the treasury department of a parent company, EDF Energy plc.

Interest rate risk

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.

Leases

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

Former employees of the Company participate in a number of group-wide funded defined benefit pension arrangements, and the Company continues to account for these schemes in accordance with SSAP 24.

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 electricity distribution and the invoice value of other goods and services provided. 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 profit

This is stated after charging:	**2004 £m**	2003 £m
Staff costs (note 5)	**1.8**	21.0
Depreciation of owned assets	**26.5**	27.0
Operating lease rentals on land and buildings	-	0.3

In 2004, amounts payable to Deloitte & Touche LLP and their associates by the Company in respect of audit services were borne by another Group company. Amounts payable in respect of auditors' remuneration in 2003 were payable to Ernst & Young LLP and amounted to £70,000 in respect of audit services and nil for non audit services.

4. Directors' emoluments

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

5. Staff costs

	2004 £m	2003 £m
Wages and salaries	-	30.4
Social security costs	-	2.2
Pension costs	**1.8**	6.3
Less: capitalised staff costs	-	(17.9)
	1.8	21.0

The pension cost reflects a charge of £1.8m (2003: £3.9m) representing the Company's share of additional contributions towards funding the deficit in the various Electricity Supply Pension Schemes to which former employees of the Company are members.

The monthly average number of employees during the year was as follows:	**2004 Number**	2003 Number
Employees	-	1,197

On 1 October 2003, the Company outsourced its network operation, maintenance and renewal activities to a fellow subsidiary undertaking, EDF Energy Networks Limited, as part of a group restructuring. The average number of employees disclosed in 2003 represents the average up to this date. From 1 October 2003 the monthly average number of employees was nil.

6. Interest receivable and similar income

	2004 £m	2003 £m
Other interest receivable	**0.5**	0.4

NOTES TO THE FINANCIAL STATEMENTS Continued

7. Interest payable and similar charges

	2004 £m	2003 £m
Interest due on loan from EDF Energy plc	**1.1**	-
On loans wholly repayable within five years	**8.5**	8.5
On external loans repayable after five years	**20.0**	11.1
On long term loans from parent company repaid during the year	**-**	13.0
	29.6	32.6

8. Tax on profit on ordinary activities

(a) Analysis of tax charge in the year:

UK current tax

	2004 £m	2003 £m
UK corporation tax charge on profit for the year	**6.3**	5.2
Adjustment in respect of prior year	**0.6**	-
Total current tax charge for the year (note (b))	**6.9**	5.2

UK deferred tax

	2004 £m	2003 £m
Origination and reversal of timing differences	**10.8**	10.0
Adjustment in respect of prior year	**(1.5)**	(5.0)
Total deferred tax charge for the year	**9.3**	5.0
Total tax charge on profit on ordinary activities	**16.2**	10.2

(b) Factors affecting tax charge for the year:

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 30%.

The differences are explained below.

	2004 £m	2003 £m
Profit on ordinary activities before tax	**56.6**	50.2
Tax on profit on ordinary activities at standard UK rate of corporation tax of 30% (2003: 30%)	**17.0**	15.0
Effect of:		
Adjustment in respect of prior year	**0.6**	-
Disallowed expenses and non-taxable income	**0.1**	0.2
Capital allowances in excess of depreciation	**(11.1)**	(10.6)
Other	**0.3**	0.6
Current tax charge for the period	**6.9**	5.2

NOTES TO THE FINANCIAL STATEMENTS Continued

9. Tangible fixed assets

(a)

	Network £m	Non-network land and buildings £m	Fixtures and equipment £m	Vehicles and mobile plant £m	Customers' contributions £m	**Total £m**
Cost						
At 1 January 2004	1,605.8	6.9	46.3	11.7	(409.5)	**1,261.2**
Transfer to Group company	-	-	-	(11.7)	-	**(11.7)**
Additions	127.7	-	-	-	(35.3)	**92.4**
Disposals	(2.7)	-	-	-	-	**(2.7)**
At 31 December 2004	**1,730.8**	**6.9**	**46.3**	**-**	**(444.8)**	**1,339.2**
Depreciation						
At 1 January 2004	547.0	1.0	42.6	8.6	(123.9)	**475.3**
Transfer to Group company	-	-	-	(8.6)	-	**(8.6)**
Charge for the year	34.3	0.1	1.5	-	(9.4)	**26.5**
Disposals	(2.7)	-	-	-	-	**(2.7)**
At 31 December 2004	**578.6**	**1.1**	**44.1**	**-**	**(133.3)**	**490.5**
Net book value						
At 31 December 2004	**1,152.2**	**5.8**	**2.2**	**-**	**(311.5)**	**848.7**
At 31 December 2003	1,058.8	5.9	3.7	3.1	(285.6)	785.9

(b)

Network assets include land valued at £2.3m (2003: £2.2).

The net book value of non-network land and buildings comprised:	**2004 £m**	2003 £m
Freehold land	**0.3**	0.3
Freehold buildings	**3.9**	4.0
Short leasehold	**1.6**	1.6
	5.8	5.9

(c) *Assets in the course of construction included within the tangible fixed assets shown above amounted to* £20.2m as at 31 December 2004 (2003: £30.1m).

NOTES TO THE FINANCIAL STATEMENTS Continued

10. Debtors

	2004 £m	2003 £m
Debtors: amounts falling due within one year		
Trade debtors	**11.5**	14.4
Amounts owed by group undertakings	**13.3**	25.7
Credit sale instalments not yet due	**-**	3.4
Other debtors	**0.1**	-
Prepayments and accrued income	**2.4**	2.4
	27.3	45.9

11. Debtors falling due after more than one year

	2004 £m	2003 £m
Credit sale instalments not yet due	**-**	1.1

12. Creditors: amounts falling due within one year

	2004 £m	2003 £m
Borrowings (note 14)	**121.7**	-
Trade creditors	**0.4**	0.1
Amounts owed to Group undertakings	**20.7**	75.0
Corporation tax (Group payments)	**17.1**	10.2
Other creditors	**1.6**	1.8
Accruals and deferred income	**21.1**	20.0
	182.6	107.1

13. Creditors: amounts falling due after more than one year

	2004 £m	2003 £m
Borrowings (note 14)	**348.4**	445.8
Other creditors	**-**	4.0
	348.4	449.8

NOTES TO THE FINANCIAL STATEMENTS Continued

14. Borrowings

	2004 £m	2003 £m
Amounts falling due less than one year		
£100m 8.5% Bonds due October 2005	**99.9**	-
Amounts owed to parent undertakings	**21.8**	-
	121.7	-
Amounts falling due after more than one year		
£100m 8.5% Bonds due October 2005	-	99.8
£50m 3.053% Index Linked Bonds due June 2023	**51.9**	49.7
£300m 5.5% Bonds due June 2026	**296.5**	296.3
	348.4	445.8
	470.1	445.8

15. Derivatives and financial instruments

Risk management
The Company's funding, liquidity and exposure to interest rate risks are managed by a parent company, EDF Energy plc. Treasury operations are conducted within a framework of policies and guidelines authorised by the Board of EDF Energy plc.

As permitted by FRS 13 'Derivatives and other financial instruments: disclosures', short-term debtors and creditors have been excluded from the disclosures.

(a) Interest rate and currency risk

All of the Company's long-term debt has been issued at fixed rates of interest with the exception of the floating rate bond described below. Exposure to short-term interest rate movements is limited to short-term investments and borrowings resulting from working capital surpluses and deficits. The Company does not have any direct material exposure to foreign currencies.

(b) Interest rate profile

The interest rate profile of the Company's financial liabilities was as follows:

		Borrowings		Fixed Rate Borrowings	
	Total £m	Floating rate £m	Fixed rate £m	Weighted average interest rate %	Weighted average fixed period Years
As at 31 December 2004	**470.1**	**51.9**	**418.2**	**6.25**	**16.0**
As at 31 December 2003	445.8	49.7	396.1	6.25	17.8

The interest rate on floating rate financial liabilities (Bond 2023: £51.9m) is based on 3.053% index linked to the Retail Price Index over the period of the borrowing.

NOTES TO THE FINANCIAL STATEMENTS Continued

15. Derivatives and financial instruments continued

(c) Fair value

Fair value of the borrowings at 31 December 2004:

Amounts payable:	**Book value 2004 £m**	**Fair value 2004 £m**	Book value 2003 £m	Fair value 2003 £m
Within one year	**121.7**	**124.5**	-	-
In one to two years	-	-	99.8	106.1
In two to five years	-	-	-	-
In more than five years	**348.4**	**358.5**	346.0	356.0
	470.1	**483.0**	445.8	462.1

The fair values of financial instruments represent the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation. Where market values are not available, fair values have been calculated by discounting cash flows at prevailing interest rates at the year end. Included within amounts payable within one year of £121.7m is an inter-company loan of £21.8m. The fair value of this debt is equal to the carrying value.

(d) Eurobond

On 3 October 1995, EDF Energy (South East) plc received £99.2m from the issue of £100m sterling bonds repayable on 3 October 2005. Interest, charged at 8.5%, is payable annually in arrears on 3 October in each year. Following the restructuring under the Utilities Act 2000, the £100m sterling bonds were transferred to EDF Energy Networks (SPN) plc on 1 October 2001. The obligations under the bonds are guaranteed by EDF Energy (South East) plc.

16. Provisions for liabilities and charges

The movements in provisions during the current year are as follows:

	At 1 January 2004 £m	Arising during the year £m	**At 31 December 2004 £m**
Deferred tax	170.6	9.3	**179.9**

Deferred taxation provided in the financial statements is as follows:

	2004 £m	2003 £m
Accelerated capital allowances	**180.8**	171.2
Other timing differences	**(0.9)**	(0.6)
Provision for deferred tax	**179.9**	170.6

NOTES TO THE FINANCIAL STATEMENTS *Continued*

17. Share capital

Authorised

	2004 £000	2003 £000
50,000 (2003: 50,000) ordinary shares of £1.00 each	**50**	50

Allotted, called up and fully paid

	2004 Number	2003 Number	2004 £000	2003 £000
Ordinary shares of £1.00 each	**50,000**	50,000	**50**	50

18. Reconciliation of shareholder's funds and movement on reserves

	Share capital £m	Profit and loss account £m	Total shareholders' funds £m
At 1 January 2003	0.1	84.9	**85.0**
Profit for the year	-	40.0	**40.0**
At 31 December 2003	0.1	124.9	**125.0**
Profit retained for the financial year	-	40.4	**40.4**
At 31 December 2004	0.1	165.3	**165.4**

19. Capital Commitments

Amounts contracted but not provided in the financial statements amounted to £20.0m (2003: £nil).

20. Pension commitments

Former employees of the Company participate in a number of group-wide funded defined benefit pension arrangements, and the Company continues to account for these schemes in accordance with SSAP 24.

The directors consider that it is not possible to identify the Company's share of the underlying assets and liabilities in the Group scheme. Accordingly, the Company accounts for the scheme as if it were a defined contribution scheme i.e. the Company pays contributions to the scheme at a fixed contribution rate, defined by Group based on the advice of independent actuaries. These contributions are charged directly to the profit and loss account. The contributions made to the pension schemes for the year amounted to £1.8m (2003: £6.3m).

Full disclosure of the pension scheme and their latest actuarial valuations are provided in the accounts of EDF Energy plc. The market value of assets relating to the Seeboard Group of the ESPS was £688m, which represented 82% of the actuarial value of the accrued benefits based on the latest formal actuarial valuation as at 31 March 2004. Additional disclosures are required under the transitional provisions of FRS 17, and these have also been set out in the accounts of the EDF Energy plc.

NOTES TO THE FINANCIAL STATEMENTS Continued

21. Lease obligations

At 31 December 2004 the Company had annual commitments under non-cancellable operating leases as set out below:

	Equipment and vehicles	**Non-network land & buildings**	Equipment and vehicles	Non-network land & buildings
	2004	**2004**	2003	2003
	£m	**£m**	£m	£m
Operating leases which expire:				
In two to five years	-	-	-	0.1
Over five years	-	-	-	0.5
	-	-	-	0.6

All operating leases were transferred to EDF Energy plc, a parent company during the year.

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

EDF Energy (South East) plc holds a 100% interest in EDF Energy Networks (SPN) plc and is considered to be the immediate parent company. CSW Investments heads the smallest group for which consolidated financial statements are prepared which include the results of the Company.

At 31 December 2004, Electricité de France SA (EDF), a French state owned company 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.

24. Regulatory accounts

On 1 October 2001, under the Utilities Act 2000, EDF Energy Networks (SPN) plc was granted a Distribution Licence under which it is required to produce regulatory accounts. The regulatory accounts, which cover a twelve month period ended 31 March of each year, are available free of charge by contacting the finance department at Atlantic House, Henson Road, Three Bridges, Crawley, West Sussex, RH10 1QQ or by telephoning 01293 509100.