



LONDON POWER SB LIMITED

Registered Number 3064440

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 December 2009

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Directors

Thomas Kusterer
Martin Lawrence

Company Secretary

Joe Souto

Auditors

Deloitte LLP
2 New Street Square
London, United Kingdom
EC4A 3BZ

Registered Office

40 Grosvenor Place
Victoria
London
SW1X 7EN

DIRECTORS' REPORT

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

Principal activities and review of the business

The Company's principal activity during the year continued to be the investment in companies involved in the development, construction and operation of gas fired power stations. It will continue with this activity for the foreseeable future.

Results and dividends

The profit for the year, before taxation, amounted to £98,000,000 (2008: £nil) and after taxation, amounted to £98,000,000 (2008: £nil). Dividends of £98,000,000 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 were as follows:

Humphrey A E Cadoux-Hudson	(resigned 1 April 2009)
Thomas Kusterer	(appointed 1 April 2009)
Martin Lawrence	

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

Financial risk management

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

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.

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.

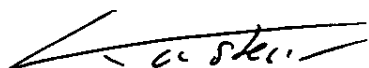
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

DIRECTORS' REPORT continued

Auditors

On 20 October 2003 the Company passed an elective resolution dispensing with the requirement to appoint auditors annually. In accordance with s 485 of the Companies Act 2006, Deloitte LLP are deemed re-appointed until such time as the members or the Directors determine otherwise.

Approved by the Board and signed on its behalf by -

A handwritten signature in black ink, appearing to read 'T. Kusterer', with a long horizontal stroke extending to the right.

Thomas Kusterer
Director
29 September 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON POWER SB LIMITED

We have audited the financial statements of London Power SB Limited for the year ended 31 December 2009 which comprise the Profit and Loss account, the Balance Sheet and the related notes numbered 1 to 13. 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 sections 495 and 496 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

~~28 April 2010~~ 29 September 2010

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

	<i>Note</i>	2009 £000	2008 £000
Investment income	4	98,000	-
Profit on ordinary activities before taxation		98,000	-
Tax on profit on ordinary activities	5	-	-
Profit for the financial year		98,000	-

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

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.

**BALANCE SHEET
AT 31 DECEMBER 2009**

	<i>Note</i>	2009 £000	2008 £000
Fixed assets			
Investments in subsidiary undertakings	6	45,449	45,449
Current assets			
Debtors amounts falling due within one year	7	151	151
Net current assets		151	151
Creditors	8	-	-
Net assets		45,600	45,600
Capital and reserves			
Called up share capital	9	-	-
Share premium	11	45,354	45,354
Capital reserve	11	246	246
Shareholders' funds		45,600	45,600

The financial statements of London Power SB Limited, registered number 3064440 on pages 6 to 12 were approved by the Board of Directors on 29 September 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.

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. Accordingly, these accounts present information about the company only.

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.

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 without discounting, 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.

2 Operating profit

In 2009 an amount of £5,000 (2008: £5,000) 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 non-audit services were £nil (2008: £nil).

NOTES TO THE FINANCIAL STATEMENTS continued

3. 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.

The Company had no employees in the current or preceding year.

4. Investment income

	2009 £000	2008 £000
Dividends received in the year		
EDF Energy (Sutton Bridge Power)	98,000	-

5. Tax on profits on ordinary activities

(a) Analysis of tax charge in the year

UK current tax

	2009 £000	2008 £000
UK corporation tax charge on profit for the year (note 5(b))	-	-

(b) Factors affecting tax charge for the year

The tax assessed for the period is lower than (2008 equal to) the standard rate of corporation tax in the UK.

The differences are explained below:

	2009 £000	2008 £000
Profit on ordinary activities before tax	98,000	-
Tax on profit on ordinary activities at standard UK rate of corporation tax of 28% (2008: 28.5%)	27,440	-
Effect of:		
Dividends received from UK companies	(27,440)	-
Permanent differences	(2)	(12)
Group relief surrendered at nil charge	2	12
Current tax charge for the year	-	-

NOTES TO THE FINANCIAL STATEMENTS continued

6. Investments in subsidiary undertakings

At 1 January 2009 and 31 December 2009	£000
	45,449

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 (Sutton Bridge Power)	Ordinary £1 00	100%	Power generation
Sutton Bridge Financing Limited (incorporated in Cayman Islands)*	Ordinary A £1 00	100%	Financing activities

* Indirectly held

7 Debtors: amounts falling due within one year

	2009 £000	2008 £000
Debtors		
Amounts owed by Group undertakings	151	151

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

Preference shares with a book value of £2 (2008 £2) are included within creditors, as established by the presentation requirements of FRS 25 Financial Instruments. The preference shares relate to the following

Authorised

	2009 Number	2008 Number	2009 £000	2008 £000
'C' preference shares of 0 1p each	400,000	400,000	1	1
'D' preference shares of 0 1p each	200,000	200,000	-	-
'E' redeemable preference shares of £1 each	46,000,000	46,000,000	46,000	46,000
'F' preference shares of 0 1p each	200,000	200,000	-	-
			46,001	46,001

Allotted, called up and fully paid

	2009 Number	2008 Number	2009 £000	2008 £000
'C' preference shares of 0 1p each	1,500	1,500	-	-
'D' preference shares of 0 1p each	100	100	-	-
'F' preference shares of 0 1p each	400	400	-	-
			-	-

NOTES TO THE FINANCIAL STATEMENTS continued

Creditors: amounts falling due after more than one year (continued)

'C' preference shares

These are non-voting shares which are entitled to a fixed preferential cumulative dividend from 31 December 2014 of £7,870,000 for the half year to 31 December 2014 and escalating to £11,750,000 for the half year to 31 December 2022 and for each half year thereafter. These dividends are payable half yearly on 1 July and 31 December after any dividends payable on all other shares of the Company but before any repayment of capital.

The 'C' preference shares are entitled to assets of the Company on a winding up equal in total to 0.01 per cent of the remaining assets of the Company available for distribution prior only to the distribution of the remaining assets available for distribution to the 'A' ordinary shareholders.

These shares are also entitled to a further, non-cumulative, 0.01 per cent of profits available for distribution in each financial year of the Company payable in priority to dividend payable on the 'A' ordinary shares, 'F' preference shares and the fixed 'C' preference share dividend. The shareholders have waived the rights to dividends in the current year and previous years.

'D' preference shares

The 'D' preference shares are non-voting and may be entitled to receive a cumulative dividend. The 'D' preference dividends are payable in accordance with a prescribed formula and subject to the 'D' Dividend assumptions of which the terms and conditions are noted in the articles of association. The shareholders have waived the rights to dividends in the current year and previous years.

'F' preference shares

The 'F' preference shares are non-voting and may be entitled to receive a dividend determined according to a prescribed formula and subject to the 'F' Dividend assumptions of which the terms and conditions are noted in the articles of association. In the event that such dividend is payable, it will become due on 1 May 2014. The 'F' preference shares are entitled to receive a dividend payable after the 'E' preference dividend, the 'D' preference dividend and the additional 'C' preference dividend, but in priority to any right of the holders of the 'C' preference shares in respect of any fixed 'C' preference dividends and any repayments of capital after 1 May 2014. The shareholders have waived the rights to dividends in the current year and previous years.

9. Share capital

Authorised

	2009 Number	2008 Number	2009 £000	2008 £000
'A' ordinary shares of 0.1p each	200,000	200,000	-	-

Allotted, called up and fully paid

	2009 Number	2008 Number	2009 £000	2008 £000
'A' ordinary shares of 0.1p each	600	600	-	-

These represent the ordinary share capital of the Company, with attached voting rights.

The preference shares are presented as a liability and accordingly are excluded from called-up share capital in the balance sheet. The details are included in note 8.

10. Dividends paid

	2009 £000	2008 £000
Ordinary dividends on equity shares	98,000	-

NOTES TO THE FINANCIAL STATEMENTS continued

11. Reconciliation of shareholders' funds

	Share capital	Share premium	Capital redemption reserve	Profit and loss account	Total
	£000	£000	£000	£000	£000
At 1 January 2008	-	45,354	246	-	45,600
Result for the year	-	-	-	-	-
At 31 December 2008	-	45,354	246	-	45,600
Profit for the year	-	-	-	98,000	98,000
Dividends paid in the year	-	-	-	(98,000)	(98,000)
At 31 December 2009	-	45,354	246	-	45,600

12. 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

13. Parent undertaking and controlling party

EDF Energy (Sutton Bridge Holdings) Limited holds a 100% interest in London Power SB Limited (50% of the interest is held indirectly) 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 that Company's consolidated financial statements are available from 40 Grosvenor Place, Victoria, London SW1X 7EN.

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.