

3750288

EDF TRADING LIMITED

Report and Accounts

31 December 2001

ERNST & YOUNG



EDF Trading Limited

Registered No. 03750288

DIRECTORS

L Capéran (Chairman)
F Carème
J M Chauvin
A Connelly
Y D'Escatha
M Francony
G Gateff
G C H Louis-Dreyfus
C Mallaby
S B Rich

SECRETARY

D Macfarlane

AUDITORS

Ernst & Young LLP
Rolls House
7 Rolls Buildings
Fetter Lane
London EC4A 1NH

REGISTERED OFFICE

71 High Holborn
London WC1V 6ED

EDF Trading Limited

DIRECTORS' REPORT

The directors submit their report and the group accounts for the year ended 31 December 2001.

RESULTS AND DIVIDENDS

The group profit after tax for the year amounted to €49,511,000 (2000: €13,770,000). The accounts for the year ended 31 December 2001 are set out on pages 6 to 20

The directors do not recommend payment of a dividend.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The group's activities consist of the wholesale trading of energy products (electricity, natural gas, coal and oil) and related activities including the management of transportation and logistics.

On 21 May 2001 EDF Trading Limited ("the company") acquired a 100% interest in Compagnie d'Approvisionnement de Combustibles et de Logistique ("CAPCOL"), previously an Electricité de France Service National ("EDF") subsidiary, which handles coal and fuel oil logistics in continental Europe.

On 20 July 2001 the company established EDF Energy Merchants Limited ("EDFM") as a subsidiary. EDFM has been regulated by the Financial Services Authority ("FSA") since 15 November 2001 as a non-
ISD Energy Market Participant Firm. Since 1 December 2001, EDFM has been responsible for arranging and executing transactions as agent on behalf of EDF Trading Limited.

FUTURE DEVELOPMENTS

The directors consider that further development of the trading activity will continue in 2002.

SHAREHOLDINGS

At 31 December 2001 the interests in the share capital of the company were as follows:

Name of holder	Shares	Number	Percentage	Percentage
			of voting rights held	of distribution rights held
Electricité de France Service National	'A' and 'C' ordinary	71,010,000	66.7%	78.9%
S.A. Louis Dreyfus & Cie	'B' ordinary	9,990,000	33.3%	11.1%
Louis Dreyfus & Co Limited	Deferred ordinary	50,000	0.0%	0.0%
Trident Trust Company (I.O.M) Limited	'C' ordinary	7,098,750	0%	7.9%
Employees (*)	'C' ordinary	1,901,250	0%	2.1%
		90,050,000	100%	100%

(*) Employees have waived their distribution rights.

EDF Trading Limited

DIRECTORS' REPORT

DIRECTORS AND THEIR INTERESTS

The directors who served during the year or were appointed after the year end were as follows:

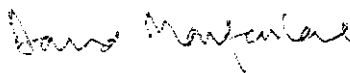
L Capéran
F Carène (appointed 18 January 2002)
J M Chauvin
A Connelly
Y d'Escatha
M Francony
G Gateff
G C H Louis-Dreyfus
C Mallaby
S B Rich
M Riutort (resigned 18 January 2002)

No director has any interest required to be disclosed under Schedule 7 of the Companies Act 1985.

On 28 June 2001, Ernst & Young, the company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001.

On 18 January 2002 the directors passed a resolution to appoint Ernst & Young LLP with effect 31 December 2001.

By order of the Board of Directors.



D Macfarlane
Secretary

EDF Trading Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing those accounts, 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the group 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 group and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDF TRADING LIMITED

We have audited the group and company accounts for the year ended 31 December 2001 which comprise group profit and loss account, group and company balance sheets, group statement of cash flows and the related notes 1 to 20. These accounts have been prepared on the basis of the accounting policies set out therein.

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 accounts in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and the United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 accounts, 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 group 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.

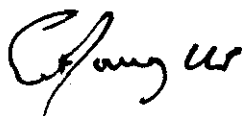
Basis of audit opinion

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the group'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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company and of the group as at 31 December 2001 and profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
London

07 JUN 2002

EDF Trading Limited

GROUP PROFIT AND LOSS ACCOUNT for the year ended 31 December 2001

	Notes	2001 €000	2000 €000
Turnover	2	2,949,474	383,547
Cost of sales		(2,813,142)	(346,246)
NET TRADING INCOME		136,332	37,301
Administrative expenses		(72,504)	(25,845)
Other operating income		1,152	1,455
OPERATING PROFIT	3	64,980	12,911
Interest receivable	6	17,263	1,107
Interest payable and similar charges	6	(12,945)	(248)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		69,298	13,770
Tax on ordinary activities	7	(19,787)	-
RETAINED PROFIT FOR THE YEAR		49,511	13,770

There have been no recognised gains or losses other than the reported profit for the year.

EDF Trading Limited

GROUP AND COMPANY BALANCE SHEETS

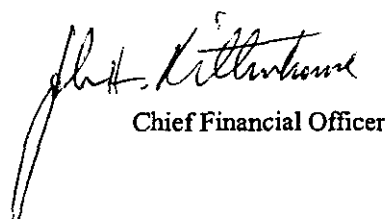
for the year ended 31 December 2001

		<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
		<i>2001</i>	<i>2001</i>	<i>2000</i>	<i>2000</i>
	<i>Notes</i>	<i>€000</i>	<i>€000</i>	<i>€000</i>	<i>€000</i>
FIXED ASSETS					
Tangible assets	8	5,487	4,837	4,167	4,127
Investments	9	7,099	12,101	-	2
		<u>12,586</u>	<u>16,938</u>	<u>4,167</u>	<u>4,129</u>
CURRENT ASSETS					
Stocks	10	96,915	96,790	39,811	39,811
Debtors	11	1,089,046	1,086,480	343,999	344,706
Cash at bank and in hand	16(b)	426,313	413,615	75,606	75,576
		<u>1,612,274</u>	<u>1,596,885</u>	<u>459,416</u>	<u>460,093</u>
CREDITORS: amounts falling due within one year					
Loans	12	(69,157)	(69,157)	-	-
Other creditors	12	(1,077,732)	(1,068,383)	(352,867)	(352,799)
		<u>465,385</u>	<u>459,345</u>	<u>106,549</u>	<u>107,294</u>
NET CURRENT ASSETS					
		<u>477,971</u>	<u>476,283</u>	<u>110,716</u>	<u>111,423</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>477,971</u>	<u>476,283</u>	<u>110,716</u>	<u>111,423</u>
CREDITORS: amounts falling due after more than one year					
	13	(340,979)	(340,979)	(23,235)	(23,235)
		<u>136,992</u>	<u>135,304</u>	<u>87,481</u>	<u>88,188</u>
CAPITAL AND RESERVES					
Called up share capital	14	90,048	90,048	90,048	90,048
Retained earnings		47,865	46,157	(1,646)	(959)
Foreign currency translation reserve		(921)	(901)	(921)	(901)
		<u>136,992</u>	<u>135,304</u>	<u>87,481</u>	<u>88,188</u>
TOTAL SHAREHOLDERS' FUNDS	15	<u>136,992</u>	<u>135,304</u>	<u>87,481</u>	<u>88,188</u>

A statement of movement in shareholders' funds is given in note 15. The notes on pages 10 to 20 form an integral part of these accounts.

These accounts were approved by the Board on 30.4.02 and signed on its behalf by


Director


Chief Financial Officer

EDF Trading Limited

GROUP STATEMENT OF CASH FLOWS

for the year ended 31 December 2001

	Note	2001 €000	2000 €000
NET CASH FLOW FROM OPERATING ACTIVITIES	16(a)	291,991	4,436
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		16,031	1,107
Interest paid		(4,868)	(248)
Bank commissions		(387)	-
		10,776	859
TAXATION			
Corporation tax paid		(6,479)	-
		(6,479)	-
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Fixed assets and prepayments		(6,232)	(2,452)
Purchase of own shares		(9,000)	-
		(15,232)	(2,452)
ACQUISITIONS AND DISPOSALS			
Purchase of subsidiary undertaking		(2,641)	-
Net cash acquired with subsidiary undertaking		3,135	-
		494	-
FINANCING			
Increase in short-term borrowings from banks		23,243	-
Proceeds from EDF group short-term loan		45,914	-
Issue of ordinary share capital		-	80,010
Advances from parent undertaking		-	(18,508)
		69,157	61,502
MANAGEMENT OF LIQUID RESOURCES			
Increase in short-term money market investments		(228,899)	-
INCREASE IN CASH		121,808	64,345

EDF Trading Limited

GROUP STATEMENT OF CASH FLOWS

for the year ended 31 December 2001

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

		Group 2001 €000	Group 2000 €000
	Note		
Increase in cash for the year		121,808	64,345
Cash outflow from increase in short-term money market investments		228,899	-
Cash inflow from increase in short-term loan and borrowings		(69,157)	-
Advances from parent undertaking		-	18,508
Change in net funds resulting from cash flows	16(b)	281,550	82,853
NET FUNDS AS AT 1 JANUARY		75,606	(7,247)
NET FUNDS AS AT 31 DECEMBER	16(b)	357,156	75,606

EDF Trading Limited

NOTES TO THE ACCOUNTS

at 31 December 2001

1. ACCOUNTING POLICIES

Basis of preparation

The accounts are prepared under the historical cost convention except as set out below for the valuation of forward contracts and derivative instruments and in accordance with applicable accounting standards.

Basis of consolidation

The group accounts consolidate the accounts of EDF Trading Limited and all its subsidiary undertakings drawn up to 31 December 2001. The results of subsidiaries acquired are consolidated for the periods from the date on which control passed under the acquisition method.

No profit and loss account is presented for the company as provided by section 230 of the Companies Act 1985. The company's profit for the financial year is € 47,116,000.

Software development costs

Software development costs that are directly attributable to bringing computer equipment into working condition for their intended use in the business are treated as part of the cost of the related hardware.

Depreciation

Depreciation is provided on all fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

System development	-	33% per annum
Furniture and fittings	-	25% per annum
Computer equipment	-	25% per annum
Communication equipment	-	25% per annum
Leasehold improvements	-	25% per annum

Impairment

The carrying values of fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is provided for in the current period profit and loss account when the carrying value of the assets exceeds their estimated recoverable amount. The estimated recoverable amount is defined as the higher of the net realisable value and value in use. The value in use is determined by reference to estimated future discounted cash flows.

Investments

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

Stocks

Trading stocks are commodities held for trading purposes and are valued at market prices. Other stocks are valued at the lower of cost or net realisable value.

Forward contracts and derivative instruments

The company enters into forward commodity contracts and derivative instruments for trading purposes. Forward contracts are physically settled instruments for delivery in the future. Derivative contracts are financial instruments, such as futures, swaps and options. Forwards and derivatives are measured by reference to market prices at the year-end. The resulting unrealised losses are recorded as liabilities in trade creditors and unrealised profits recorded as assets in trade debtors where there is a liquid market or the transaction is hedged. Current period changes in the assets and liabilities from these activities (resulting primarily from newly originated transactions and the impact of price movements on existing transactions) are recognised in the profit and loss account. The market prices used to value these

NOTES TO THE ACCOUNTS

at 31 December 2001

1. ACCOUNTING POLICIES (CONTINUED)

Forward contracts and derivative instruments (continued)

transactions reflect management's best estimate, considering various factors including closing exchange and over-the-counter quotations. The amounts received or paid on non-liquid transactions are deferred until such time they become liquid or are hedged. The deferred profits or losses are presented on a discounted basis. The unwinding of the discounting effect is presented as interest income or expense. The company provides for any anticipated loss on these non-liquid transactions.

The use of mark-to-market accounting policy, whilst normal in the business the group operates, is a departure from the accounting rules contained in the Companies Act 1985 which do not normally allow unrealised profits to be recognised. The directors consider that this departure is necessary in order that the accounts should give a true and fair view of the results of the group's trading activities, in accordance with section 226(5) of the Companies Act 1985. At 31 December 2001, the group net unrealised profit is €12,553,000 (2000: €23,097,000).

Employee Share Option Plan ("ESOP")

Incentives in the form of shares are provided to senior employees under a restricted share plan. The company has contributed to an employee share ownership trust which has been used to purchase company shares from Electricité de France Service National ("EDF").

The difference between the value of the shares awarded at the balance sheet date under the rules of the ESOP and the consideration received on shares awarded is charged to the profit and loss account over the vesting period. Additional employer costs (national insurance contributions) in respect of the awards are charged to the profit and loss account on the same basis.

Foreign currencies

The group uses the euro as its reporting currency as the majority of its transactions are euro denominated. Transactions in other currencies are translated to euros at the rate equal to that ruling in the month of the transaction. Monetary assets and liabilities denominated in other currencies are translated at the rate of exchange ruling at the balance sheet date or, if appropriate, at the forward rate. All translation gains and losses are taken to the profit and loss account.

Operating leases

Rental costs under operating leases are charged to the profit and loss account in equal amounts over the respective periods.

Pensions

The company operates a defined contribution group personal pension scheme available to its UK employees. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Taxation

Taxation provided is that amount chargeable on the profit for the year together with deferred taxation. Deferred tax is provided for on timing differences using the liability method and is accounted for to the extent that it is considered probable that a liability or asset will crystallise in the foreseeable future.

EDF Trading Limited

NOTES TO THE ACCOUNTS

at 31 December 2001

2. TURNOVER

Turnover comprises the value of physical sales of energy products in the normal course of business and related services. Realised profits and losses on derivatives as well as unrealised profits and losses on open physical and derivative contracts are also included in turnover. In the accounts for the year ended 31 December 2000, profits and losses on derivatives were presented in "Other trading income". 2000 turnover disclosed in the present accounts has been restated accordingly.

No geographical analysis is given, as, in the opinion of the directors, this would be, on a continuing basis, prejudicial to the interests of the group.

Profit before taxation is attributable to energy trading and related activities and the associated operating expenses and financing costs.

3. OPERATING PROFIT

Operating profit is stated after charging:

	2001	2000
	€000	€000
Auditors' remuneration - audit services	428	159
- other services	196	221
Depreciation of fixed assets	2,301	1,531
Rental of office premises	1,278	345
Profits from revaluation of monetary assets and liabilities	(1,292)	(154)
	<u> </u>	<u> </u>

4. STAFF COSTS

	2001	2000
	€000	€000
Wages and salaries	57,342	16,364
Social security costs	3,509	1,462
Employer contribution to group personal pension scheme	521	202
Total	<u>61,372</u>	<u>18,028</u>

The monthly average number of employees during the year was 147 (2000 - 77). The number of employees at the year-end was 191 (2000 - 92).

5. DIRECTORS' REMUNERATION

No remuneration was paid to directors during the year.

EDF Trading Limited

NOTES TO THE ACCOUNTS at 31 December 2001

6. INTEREST RECEIVABLE, PAYABLE AND SIMILAR CHARGES

	2001 €000	2000 €000
<i>Interest receivable</i>		
Interest on deposits and short-term investments	12,512	1,047
Interest recharged to EDF	4,513	-
Interest on margin calls and collateral	238	60
	<u>17,263</u>	<u>1,107</u>

	2001 €000	2000 €000
<i>Interest payable</i>		
Unwinding of discount effect on long-term contracts valuation	7,690	-
Interest on EDF group loan	4,513	-
Interest on short-term loans from banks	355	63
Bank charges and other	387	46
Interest on short-term loans from Louis Dreyfus & Co Limited	-	139
	<u>12,945</u>	<u>248</u>

7. TAXATION

	2001 €000	2000 €000
Current tax on ordinary activities at 30%	(24,907)	-
Deferred tax	5,120	-
Tax on ordinary activities at 30%	<u>(19,787)</u>	<u>-</u>

No tax charge arose in the year ending 31 December 2000 due to the use of tax losses brought forward.

	<i>Capital allowances</i>		<i>Short term and other timing differences</i>		<i>Total</i>	
	2001 €000	2000 €000	2001 €000	2000 €000	2001 €000	2000 €000
Total deferred tax asset	<u>157</u>	<u>-</u>	<u>4,963</u>	<u>-</u>	<u>5,120</u>	<u>-</u>

EDF Trading Limited

NOTES TO THE ACCOUNTS

at 31 December 2001

8. TANGIBLE FIXED ASSETS

<u>Group</u>	<i>Furniture and fittings</i> €000	<i>Computer equipment</i> €000	<i>Communi- cations equipment</i> €000	<i>Leasehold improve- ments</i> €000	<i>Total</i> €000
Cost:					
At 1 January 2001	576	3,347	1,194	1,467	6,584
Additions	44	2,853	99	719	3,715
Disposals	(29)	(208)	(7)	-	(244)
At 31 December 2001	591	5,992	1,286	2,186	10,055
Depreciation:					
At 1 January 2001	286	960	445	726	2,417
Charge for the year	152	1,401	311	437	2,301
Disposals	(14)	(132)	(4)	-	(150)
At 31 December 2001	424	2,229	752	1,163	4,568
Net book value:					
At 31 December 2001	167	3,763	534	1,023	5,487
At 31 December 2000	290	2,387	749	741	4,167
<u>Company</u>					
	<i>Furniture and fittings</i> €000	<i>Computer equipment</i> €000	<i>Communi- cations equipment</i> €000	<i>Leasehold improve- ments</i> €000	<i>Total</i> €000
Cost:					
At 1 January 2001	547	3,307	1,187	1,467	6,508
Additions	44	2,853	99	-	2,996
Disposals	-	(167)	-	-	(167)
At 31 December 2001	591	5,993	1,286	1,467	9,337
Depreciation:					
At 1 January 2001	272	941	442	726	2,381
Charge for the year	152	1,401	310	367	2,230
Disposals	-	(111)	-	-	(111)
At 31 December 2001	424	2,231	752	1,093	4,500
Net book value:					
At 31 December 2001	167	3,762	534	374	4,837
At 31 December 2000	275	2,366	745	741	4,127

EDF Trading Limited

NOTES TO THE ACCOUNTS

at 31 December 2001

9. INVESTMENTS

Group

	€000
Cost at 1 January 2001	-
Purchase of own shares	9,000
Distribution of own shares	(1,901)
Cost at 31 December 2001	7,099

On 29 January 2001 the company established Trident Trust Company (I.O.M) Limited as its employee share ownership trust ("ESOP"). On 23 May 2001 the company contributed funds to the ESOP to purchase nine million 'C' class ordinary shares from the parent company at €1 per share. The ESOP is consolidated in the company's accounts in accordance with UITF Abstract 13.

An award of 7,605,000 shares was made to senior employees of the company. The awards vest in four equal tranches (one-quarter at the award date and one-quarter at each of the following three anniversary dates).

Company

	€000
Cost at 1 January 2001	2
Purchase of own shares	9,000
Distribution of own shares	(1,901)
Subsidiary undertakings	5,000
Cost at 31 December 2001	12,101

Details of the investments in which the group and the company holds 20% or more of the nominal value of any class of share capital are as follows:

<i>Subsidiary undertakings</i>	<i>Country of incorporation or principal business address</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
• EDF Energy Merchants Limited (*) UK		Ordinary shares	100%	Arranger
• CAPCOL (**) France		Ordinary shares	100%	Logistics
• Energy and Investments Limited (*) UK		Ordinary shares	100%	Intermediate Holding company
• Louis Dreyfus Elektrizitat und Erdgas GmbH (**) Germany		Ordinary shares	100%	In liquidation
• Louis Dreyfus Electricidad y Gas Limitada (**) Spain		Ordinary shares	100%	Not trading

(*) Held directly by the company

(**) Held indirectly through Energy and Investments Limited

EDF Trading Limited

NOTES TO THE ACCOUNTS

at 31 December 2001

9. INVESTMENTS (continued)

EDF Energy Merchants Limited ("EDFM") was incorporated on 20 July 2001 and since 15 November 2001 has been regulated by the Financial Services Authority ("FSA") as a non-ISD Energy Market Participant Firm. Since 1 December 2001, EDFM has been responsible for arranging and executing transactions as agent on behalf of EDF Trading Limited.

On 21 May 2001 the company acquired through Energy and Investments Limited a 100% interest in Compagnie d'Approvisionnement de Combustibles et de Logistique ("CAPCOL"), previously an Electricité de France Service National ("EDF") subsidiary, which handles coal and fuel oil logistics in continental Europe.

10. STOCKS

	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	<i>2001</i>	<i>2001</i>	<i>2000</i>	<i>2000</i>
	<i>€000</i>	<i>€000</i>	<i>€000</i>	<i>€000</i>
Trading stocks	54,162	54,162	39,811	39,811
Other stocks	42,753	42,628	-	-
At 31 December 2001	96,915	96,790	39,811	39,811

Other stocks consist mainly of coal purchased by the company and held for security of supply.

11. DEBTORS

	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	<i>2001</i>	<i>2001</i>	<i>2000</i>	<i>2000</i>
	<i>€000</i>	<i>€000</i>	<i>€000</i>	<i>€000</i>
Third parties trade debtors	814,955	817,126	282,961	282,961
EDF group trade debtors	200,159	200,159	43,709	44,461
Louis Dreyfus debtors	4,884	4,884	-	-
Other debtors	51,788	47,051	15,530	15,485
Prepayments	12,140	12,140	1,799	1,799
Deferred tax (note 7)	5,120	5,120	-	-
	1,089,046	1,086,480	343,999	344,706

Amounts falling due after more than one year included above are:

	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	<i>2001</i>	<i>2001</i>	<i>2000</i>	<i>2000</i>
	<i>€000</i>	<i>€000</i>	<i>€000</i>	<i>€000</i>
Third parties trade debtors	22,654	22,654	2,939	2,939

EDF Trading Limited

NOTES TO THE ACCOUNTS at 31 December 2001

12. CREDITORS: amounts falling due within one year

	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	<i>2001</i>	<i>2001</i>	<i>2000</i>	<i>2000</i>
	<i>€000</i>	<i>€000</i>	<i>€000</i>	<i>€000</i>
<u>Loans</u>				
EDF group loan	(45,914)	(45,914)	-	-
Bank short-term loans	(23,243)	(23,243)	-	-
	<u>(69,157)</u>	<u>(69,157)</u>	<u>-</u>	<u>-</u>
<u>Other creditors</u>				
Third parties trade creditors	(828,392)	(828,392)	(263,133)	(263,133)
EDF group trade creditors	(160,397)	(160,397)	(80,529)	(80,499)
Louis Dreyfus creditors	(2,148)	(2,148)	(1,414)	(1,414)
Corporate tax liability	(21,329)	(23,160)	-	-
Accruals and other creditors	(65,466)	(54,286)	(7,791)	(7,753)
	<u>(1,077,732)</u>	<u>(1,068,383)</u>	<u>(352,867)</u>	<u>(352,799)</u>

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

	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	<i>2001</i>	<i>2001</i>	<i>2000</i>	<i>2000</i>
	<i>€000</i>	<i>€000</i>	<i>€000</i>	<i>€000</i>
Deferred income	(285,598)	(285,598)	-	-
Third parties trade creditors	(55,381)	(55,381)	(23,235)	(23,235)
	<u>(340,979)</u>	<u>(340,979)</u>	<u>(23,235)</u>	<u>(23,235)</u>

On 24 April 2001 the company completed a significant transaction with a major market counterparty under which the company took on long-term out-of-the money natural gas purchase and supply contracts and associated transportation contracts. At the closing of this transaction, the company received a significant cash payment. The deferred income relates to the amount of cash received and not yet released to the profit and loss account.

EDF Trading Limited

NOTES TO THE ACCOUNTS at 31 December 2001

14. CALLED UP SHARE CAPITAL

<i>Group</i>	<i>2001</i>	<i>2001</i>	<i>2000</i>	<i>2000</i>
<i>Authorised, allotted and paid up</i>	<i>No. 000</i>	<i>€000</i>	<i>No. 000</i>	<i>€000</i>
'A' Ordinary shares of €1 each	20,010	20,010	20,010	20,010
'B' Ordinary shares of €1 each	9,990	9,990	9,990	9,990
'C' Ordinary shares of €1 each	60,000	60,000	60,000	60,000
Deferred ordinary shares of US\$1 each	50	48	50	48
	<u>90,050</u>	<u>90,048</u>	<u>90,050</u>	<u>90,048</u>

'A' and 'B' ordinary shares carry equal voting rights. 'C' ordinary shares are non-voting.

'A', 'B' and 'C' ordinary shares carry equal distribution rights.

Deferred ordinary shares carry no voting or distribution rights

15. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

<i>Group</i>	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Foreign currency translation reserve</i>	<i>Total share-holders' funds</i>
	<i>€000</i>	<i>€000</i>	<i>€000</i>	<i>€000</i>
At 31 December 2000	90,048	(1,646)	(921)	87,481
Profit for the year	-	49,511	-	49,511
At 31 December 2001	<u>90,048</u>	<u>47,865</u>	<u>(921)</u>	<u>136,992</u>

<i>Company</i>	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Foreign currency translation reserve</i>	<i>Total share-holders' funds</i>
	<i>€000</i>	<i>€000</i>	<i>€000</i>	<i>€000</i>
At 31 December 2000	90,048	(959)	(901)	88,188
Profit for the year	-	47,116	-	47,116
At 31 December 2001	<u>90,048</u>	<u>46,157</u>	<u>(901)</u>	<u>135,304</u>

EDF Trading Limited

NOTES TO THE ACCOUNTS at 31 December 2001

16. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of operating profit to net cash flow from operating activities:

	Group 2001 €000	Group 2000 €000
Operating profit	64,980	12,911
Depreciation	2,301	1,531
Increase in trade debtors and other debtors	(686,977)	(279,025)
Increase in stocks	(57,104)	(39,811)
Increase in trade creditors, other creditors and accruals	689,077	308,830
Increase in deferred income	285,598	-
Other non-cash items including movements on provisions	(5,884)	-
NET CASH FLOW FROM OPERATING ACTIVITIES	291,991	4,436

(b) Analysis of net funds

	At 31 December 2000 €000	Cash flow €000	At 31 December 2001 €000
Cash at bank and in hand (*)	75,606	121,808	197,414
Short-term money market investments (*)	-	228,899	228,899
Debt due within one year	-	(69,157)	(69,157)
Net funds	75,606	281,550	357,156

(*) Short-term money market investments are included within cash at bank and in hand in the balance sheet

17. PENSION COMMITMENTS

The company makes payments into a defined contribution group personal pension scheme for its UK employees. Contributions are made based on a percentage of the employees' salary.

18. COMMITMENTS

In the normal course of business the group has entered into forward and derivatives contracts for the purchase and sale of energy commodities and related transportation.

Until 11 March 2002 the company occupied premises leased by the Louis Dreyfus Group.

On 3 September 2001, EDF Trading Limited entered into a 25-year lease for office premises. The annual rent is €3,100,000 at the current exchange rate.

EDF Trading Limited

NOTES TO THE ACCOUNTS at 31 December 2001

19. RELATED PARTY TRANSACTIONS

During the year, the value of sales and purchases with EDF group companies amounted to €387,599,000 and €437,923,000, respectively.

Other trading activity undertaken with the EDF group during the year comprised the purchase and sale of electricity on behalf of EDF, for which the company received commission of €7,868,000.

During the year the value of transactions with Louis Dreyfus group companies charged to the group profit and loss account amounted to €2,309,000, which consist mainly of rent recharge for the company's premises.

The company surrendered €4,884,000 of tax losses at full value to the Louis Dreyfus UK group.

20. ULTIMATE PARENT COMPANY

EDF, incorporated in France, is the immediate and ultimate parent undertaking of the group for which group accounts are prepared. Copies of the group accounts of EDF can be obtained from the registered office at 22-30 Avenue de Wagram, 75008 Paris, France.