



EDF ENERGY (NORTHERN OFFSHORE WIND) LIMITED

Registered Number 4140289

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2004



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Directors

Humphrey A E Cadoux-Hudson
Christopher J Daniels
Angus Norman

Resigned 4 September 2005

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 development of an offshore wind farm, which when completed will be followed by construction and operation of this power generation facility.

Results and dividends

All costs relating to assets in the course of construction are written-off. Future costs will continue to be written-off until the Directors believe a commercially viable technological advancement has been achieved.

The loss for the year, before taxation, amounted to £719,555 (2003: £1,037,224) and after taxation, to £503,688 (2003: £1,037,224). The Directors do not recommend payment of a dividend (2003: £nil).

Future developments

Future developments may include all the engineering and commercial supporting activities associated with operating on-shore and off-shore windfarms.

Directors and their interests

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

Humphrey A E Cadoux-Hudson

Christopher J Daniels

Angus Norman

Resigned 4 September 2005

None of the Directors has a service contract with the Company. They are all employed by the 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 interest in the shares of the Company or any other Group company.

Political and charitable contributions

During the year, the Company made no charitable contributions (2003: £nil) and no political contributions (2003: £nil).

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 30 days (2003 - nil) purchases outstanding in its trade creditors.

DIRECTOR'S REPORT Continued

Auditors

Deloitte & Touche LLP were appointed as auditors in the current year, following the resignation of Ernst & Young LLP. Deloitte & Touche LLP will be re-appointed as the Company's auditor 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 31st October 2005

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDF ENERGY (NORTHERN OFFSHORE WIND) LIMITED

We have audited the financial statements of EDF Energy (Northern Offshore Wind) Limited for the year ended 31 December 2004 which comprise the profit and loss account, the balance sheet and the related notes numbered 1 to 10. 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 have been 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDF ENERGY (NORTHERN OFFSHORE WIND) LIMITED Continued

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 loss 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

Date 31 October 2005

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2004**

	<i>Note</i>	2004 £	2003 £
Administrative expenses		(719,555)	(1,037,224)
Operating loss	2	(719,555)	(1,037,224)
Loss on ordinary activities before taxation		(719,555)	(1,037,224)
Tax credit on loss on ordinary activities	4	215,867	-
Retained loss for the financial year	8	(503,688)	(1,037,224)

There were no recognised gains or losses in either year other than the loss for that year and accordingly no Statement of Recognised Gains or Losses has been presented.

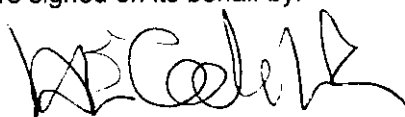
All results are derived from continuing operations in both the current and preceding year.

EDF ENERGY (NORTHERN OFFSHORE WIND) LIMITED
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BALANCE SHEET
AT 31 DECEMBER 2004

	Note	2004 £	2003 £
Current assets			
Debtors	5	425,162	231,330
		425,162	231,330
Creditors: amounts falling due within one year	6	(1,965,974)	(1,268,454)
Net current liabilities		(1,540,812)	(1,037,124)
Net liabilities		(1,540,812)	(1,037,124)
Capital and reserves			
Called up share capital	7	100	100
Profit and loss account	8	(1,540,912)	(1,037,224)
Equity shareholder's funds	8	(1,540,812)	(1,037,124)

The accounts on pages 7 to 12 were approved by the Board of Directors on 31st October 2005 and were signed on its behalf by:



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 on a consistent basis under the historical cost and in accordance with applicable United Kingdom accounting standards.

EDF Energy (Energy Branch) plc, the intermediate parent company, has agreed to continue to support the company financially and not to recall amounts advanced to the company until the claims of all creditors have been met.

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, EDF Energy plc, whose consolidated accounts include a cash flow statement and are publicly available.

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.

Research and Development

Expenditure on research and development is written off to the profit and loss account during the period in which it is incurred.

2. Operating loss

	2004 £	2003 £
This is stated after charging		
Write-off of fixed assets	-	1,037,244
Research and development	719,555	-

The audit fee of £4,000 (2003: £4,000) was borne by another Group company. There were no employees in either the current or preceding year.

3. 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 preceding year.

NOTES TO THE FINANCIAL STATEMENTS Continued

4. Tax on profit on ordinary activities

UK current tax

	2004 £000	2003 £000
UK corporation tax credit on loss for the year	(215,867)	-
Total current tax credit (Note (b))	(215,867)	-

(b) Factors affecting tax charge for the year:

	2004 £000	2003 £000
The tax assessed for the period is equal to (2003: higher than) the standard rate of corporation tax in the UK (30%).		
The differences are explained below:		
Loss on ordinary activities before tax	(719,555)	(1,037,224)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2003: 30%)	(215,867)	(311,167)
Effect of:		
Disallowable expenses	-	311,167
Current tax credit for the period	(215,867)	-

5. Debtors

	2004 £	2003 £
Debtors: amounts falling due within one year		
VAT	9,295	31,330
Corporation tax recoverable (Group payments)	215,867	-
	225,162	31,330
Debtors: amounts falling due after more than one year		
Crown Estates	200,000	200,000
	425,162	231,330

NOTES TO THE FINANCIAL STATEMENTS Continued

6. Creditors: amounts falling due within one year

	2004 £	2003 £
Bank overdrafts	1,679,657	887,104
Trade creditors	13,058	-
Amounts owed to other group companies	203,910	241,595
Accruals and deferred income	69,349	139,755
	1,965,974	1,268,454

7. Share capital

Authorised

	2004 Number	2003 Number	2004 £	2003 £
Ordinary shares of £1 each	100	100	100	100
Allotted, called up and fully paid				
	2004 Number	2003 Number	2004 £	2003 £
Ordinary shares of £1 each	100	100	100	100

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

	Share capital £	Profit and loss account £	Total share- holder's funds £
At 1 January 2003	100	-	100
Loss for the year	-	(1,037,224)	(1,037,224)
At 31 December 2003	100	(1,037,224)	(1,037,124)
Loss for the year	-	(503,688)	(503,688)
At 31 December 2004	100	(1,540,912)	(1,540,812)

NOTES TO THE FINANCIAL STATEMENTS Continued

9. Related parties

In accordance with FRS 8 'Related parties disclosures', the company is exempt from disclosing transactions with entities that are part of the group or investees of the group qualifying as related parties, as it is a wholly owned subsidiary of a parent which prepares consolidated accounts which are publicly available.

10. Parent undertaking and controlling party

EDF Energy (Energy Branch) plc holds a 100% interest in EDF Energy (Northern Offshore Wind) Limited 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.

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 accounts are prepared. Copies of that company's consolidated accounts may be obtained from Electricité de France SA, 22-30 Avenue de Wagram, 75382, Paris, Cedex 08, France.