



**EDF ENERGY (NORTHERN OFFSHORE WIND) LIMITED
(FORMERLY NORTHERN OFFSHORE WIND LIMITED)**

Registered Number 4140289

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2002



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Directors

Angus T Norman
Humphrey A E Cadoux-Hudson
Christopher J Daniels

Secretary

Robert I Higson

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

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 2002. The Company changed its name from Northern Offshore Wind Limited to EDF Energy (Northern Offshore Wind) Limited on 30 June 2003.

Principal activity and review of the business

The Company's principal activity during the year continued to be the development of an offshore windfarm which when completed will be followed by construction and operation of this power generation facility.

Results and dividends

The Company has made no profits or losses for the year ended 31 December 2002. The Directors recommend that no dividend be paid for the year.

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:

Paul A Cuttill	(Appointed 1 February 2002/Resigned 1 April 2003)
Angus T Norman	(Appointed 1 February 2002)
Humphrey A E Cadoux-Hudson	(Appointed 1 April 2003)
Gerald L Wingrove	(Appointed 1 February 2002/Resigned 30 September 2002)
Joseph Verdi (Alternate to Gerald L Wingrove)	(Appointed 20 March 2002/Resigned 30 September 2002)
James D Stallmeyer	(Resigned 1 February 2002)
Philip S Lawless	(Resigned 1 February 2002)
Kenneth Linge	(Resigned 1 February 2002)

None of the directors has a service contract with the Company, they are all employed by the parent company, EDF Energy plc (formerly London Electricity Group plc), and have service contracts with that company.

There were 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 an interest in the shares of the Company or any other Group company.

DIRECTORS' REPORT Continued

Creditors payment policy

The Company's current policy concerning the payment of the majority of its trade creditors and other suppliers is to:

- settle 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
- 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.

Auditors

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

By order of the Board



Robert I Higson

Secretary

Date

13 OCT 2003

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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 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 to 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 (FORMERLY NORTHERN OFFSHORE WIND LIMITED)

We have audited the Company's financial statements for the year ended 31 December 2002 which comprise Balance Sheet and the related notes 1 to 9. 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.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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 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 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 Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDF ENERGY (NORTHERN
OFFSHORE WIND) LIMITED (FORMERLY 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 2002 and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'Ernst & Young LLP', is written over the printed name of the auditor.

Ernst & Young LLP
Registered Auditor
London

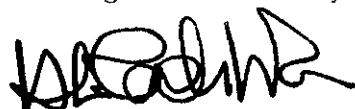
Date **13 OCT 2003**

BALANCE SHEET
AT 31 DECEMBER 2002

	<i>Note</i>	2002 £	2001 £
Fixed assets			
Tangible assets	2	130,977	-
Current assets			
Debtors falling due within one year	4	1,661	-
Debtors falling due after more than one year	4	300,000	300,000
		301,661	300,000
Creditors (amounts falling due within one year)	5	(132,638)	-
Net current assets		169,023	300,000
Total assets less current liabilities		300,000	300,000
Creditors (amounts falling due after more than one year)	6	(299,900)	(299,900)
Net assets		100	100
Capital and reserves			
Called up share capital	7	100	100
Profit and loss account		-	-
Equity shareholder's funds		100	100

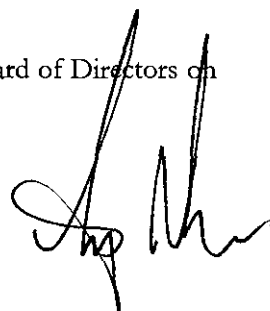
The financial statements on pages 7 to 10 were approved by the Board of Directors on 13 October 2003 and were signed on its behalf by:

2003



Humphrey A E Cadoux-Hudson
Director
Date

13 OCT 2003



Angus T Norman
Director
Date

13 OCT 2003

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

Basis of preparation

These financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom.

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 which produces publicly available financial statements.

Tangible fixed assets

The cost of individual tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition.

2. Tangible fixed assets

	Assets in the course of construction £
Cost	
At 1 January 2002	-
Additions	130,977
At 31 December 2002	130,977
Depreciation	
At 1 January 2002	-
Charge for the year	-
At 31 December 2002	-
Net book amount	
At 31 December 2002	130,977
At 31 December 2001	-

3. Directors' emoluments

No director received any remuneration from the Company during the year.

NOTES TO THE FINANCIAL STATEMENTS Continued

4. Debtors

	2002	2001
	£	£
Other debtors	301,661	300,000
	301,661	300,000

Included in other debtors is an amount of £300,000 which is due after more than one year (2001 – £300,000).

5. Creditors: amounts falling due within one year

	2002	2001
	£	£
Bank overdraft	48,452	-
Amounts owed to other group companies	40,294	-
Accruals	43,892	-
	132,638	-

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

	2002	2001
	£	£
Amounts owed to other group companies	299,900	299,900
	299,900	299,900

7. Share capital

Authorised

	2002	2001
	£	£
Ordinary shares of £1 each	100	100

Allotted, called up and fully paid

	2002	2001	2002	2001
	Number	Number	£	£
Ordinary shares of £1 each	100	100	100	100

NOTES TO THE FINANCIAL STATEMENTS Continued

8. Reconciliation of shareholders' funds and movement on reserves

	Share capital £	Total share- holders' funds £
At 1 January 2001	100	100
At 31 December 2001	100	100
At 31 December 2002	100	100

9. Parent undertaking and controlling party

EDF Energy (Energy Branch) plc (formerly The London Power Company plc) holds a 100% interest in EDF Energy (Northern Offshore Wind) Limited and is considered to be the immediate parent company. EDF Energy plc (formerly London Electricity Group plc) is the smallest group for which consolidated financial statements are prepared.

At 31 December 2002 'Electricité de France' (EdF), a French state owned company is regarded by the Directors as the Company's ultimate parent company. This is the largest group for which consolidated financial statements are prepared. Copies of that company's consolidated financial statements may be obtained from Electricité de France, 22-30 Avenue de Wagram, 75382, Paris, Cedex 08, France.