



**WEST BURTON PROPERTY LIMITED**

**Registered Number 4267566**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**31 DECEMBER 2004**



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### **Directors**

Humphrey A E Cadoux-Hudson  
Christopher J Daniels

### **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 ownership and leasing of West Burton Power Station. It will continue in this activity for the foreseeable future.

### Results and dividends

The loss for the year, before taxation, amounted to £11,629,000 (2003 restated: £12,372,000) and after taxation, to £10,668,000 (2003 restated: £12,248,000). The Directors do not recommend payment of a dividend (2003: £nil).

### 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 T 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.

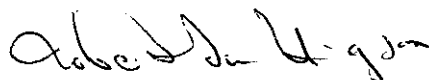
### Political and charitable contributions

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

### 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 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 Ian Higson  
Company Secretary

Date 17/03/2006

## 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 WEST BURTON PROPERTY LIMITED**

We have audited the financial statements of West Burton Property Limited for the year ended 31 December 2004 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes numbered 1 to 19. 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 WEST BURTON PROPERTY 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 *17 March 2006*

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

	<i>Note</i>	<b>2004 £000</b>	Restated 2003 £000
<b>Turnover</b>	2	37,657	27,502
<b>Gross profit</b>		37,657	27,502
Administrative expenses		(30,571)	(24,029)
<b>Operating profit</b>	3	7,086	3,473
<b>Profit on ordinary activities before interest and taxation</b>		7,086	3,473
Interest payable and similar charges	5	(18,715)	(15,845)
<b>Loss on ordinary activities before taxation</b>		(11,629)	(12,372)
Tax credit on loss on ordinary activities	6	961	124
<b>Retained loss for the financial year</b>	15	(10,668)	(12,248)

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

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 DECEMBER 2004**

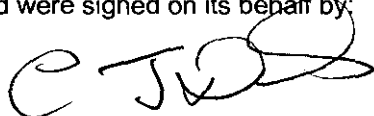
	<i>Note</i>	<b>2004 £000</b>	2003 £000
<b>Loss for the financial year</b>	15	(10,668)	(12,248)
<b>Total recognised gains and losses relating to the year</b>		(10,668)	(12,248)
Prior year adjustments:			
Change in capitalised interest accounting policy	18	(2,923)	
Adjustment to tangible fixed assets	18	(5,361)	
<b>Total recognised gains and losses since last annual report</b>		(18,952)	

Prior year figures have been restated to show the effect of the change in accounting policy (note 18).

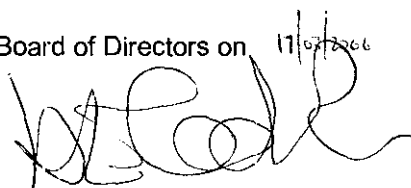
**BALANCE SHEET**  
**AT 31 DECEMBER 2004**

		2004	Restated 2003
	Note	£000	£000
<b>Fixed assets</b>			
Tangible assets	7	445,076	447,136
<b>Current assets</b>			
Debtors falling due within one year	8	75,344	72,116
Debtors falling due after more than one year	8	275,000	275,000
		350,344	347,116
<b>Creditors:</b> amounts falling due within one year	9	(602,535)	(571,231)
<b>Net current liabilities</b>		(252,191)	(224,115)
<b>Total assets less current liabilities</b>		192,885	223,021
<b>Creditors:</b> amounts falling due after more than one year	10	(161,791)	(189,359)
Provisions for liabilities and charges	13	(8,100)	-
<b>Net assets</b>		22,994	33,662
<b>Capital and reserves</b>			
Called up share capital	14	-	-
Profit and loss account	15	22,994	33,662
<b>Equity shareholders' funds</b>	15	22,994	33,662

The accounts on pages 6 to 15 were approved by the Board of Directors on 11/07/2006 and were signed on its behalf by:



Christopher J Daniels  
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, except for the change in accounting policy regarding capitalisation of interests on assets under course of construction. Certain comparatives have been restated.

#### Basis of preparation

These financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom 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, 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, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Overhaul	–	4 years
Vehicles, equipment and fittings	–	3 to 20 years
Generating station	–	20 years
Flue gas desulphurisation	–	20 years

Under the company's previous accounting policy, interest incurred during the construction of fixed assets was capitalised. This policy has now been changed to be consistent with group policies, such that interest is expensed as incurred. The effect of this is disclosed in Note 18.

#### 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, this is a commitment to dispose of the replacement assets with no likely subsequent rollover or available capital losses.
- Provision is made for gains on revalued fixed assets only where there is a commitment to dispose of the revalued assets and the attributable gain can neither be rolled over or eliminated by capital losses.
- 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.

## NOTES TO THE FINANCIAL STATEMENTS Continued

### Deferred income

Prepaid rental income received under operating leases are released in the profit and loss account on a straight-line basis over the lease term

### Decommissioning costs

At the balance sheet date, provision is made for the net present value of the estimated cost of decommissioning the power station at the end of its useful life. A related decommissioning asset is recognised in tangible fixed assets and is amortised over the remaining life of the power station. The unwinding of the discount on the provision is included in the profit and loss account within the net interest charge.

## 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 the ownership and leasing of West Burton Power Station.

## 3. Operating profit

	2004 £000	2003 £000
This is stated after charging:		
Depreciation of fixed assets – owned	(30,571)	(24,029)

The audit fee of £5,000 (2003: £5,000) was borne by another Group company. There are no employees in either current or preceding year.

## 4. Directors' emoluments and staff costs

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. There were no employees during the year.

## 5. Interest payable and similar charges

	2004 £000	Restated 2003 £000
Interest payable on loans from other Group companies	18,715	15,845
	18,715	15,845

**NOTES TO THE FINANCIAL STATEMENTS Continued**

**6. Tax on profit on ordinary activities**

a) Analysis of tax credit in the year

**UK current tax**

	2004 £000	2003 £000
UK corporation tax credit on loss for the year	(10,898)	(11,213)
Adjustment in respect of prior year	(1,826)	-
<b>Total current tax credit (Note (b))</b>	<b>(12,724)</b>	<b>(11,213)</b>

**UK deferred tax**

	2004 £000	Restated 2003 £000
Origination and reversal of timing differences	11,370	11,351
Adjustment in respect of previous years	393	(262)
<b>Total deferred tax charge</b>	<b>11,763</b>	<b>11,089</b>
<b>Total tax (credit) on loss on ordinary activities</b>	<b>(961)</b>	<b>(124)</b>

(b) Factors affecting tax charge for the year:

	2004 £000	Restated 2003 £000
The tax assessed for the period is different from the standard rate of corporation tax in the UK (30%).		
The differences are explained below:		
Loss on ordinary activities before tax	(11,629)	(12,372)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2003: 30%)	(3,488)	(3,712)
Effect of:		
Non-qualifying depreciation	5,280	5,210
Capital allowances in excess of depreciation	(4,442)	(4,463)
Deferred income – taxed on receipt	(6,928)	(6,928)
Deferred income – non-taxable	(1,320)	(1,320)
Adjustment in respect of prior years	(1,826)	-
<b>Current tax credit for the period</b>	<b>(12,724)</b>	<b>(11,213)</b>

**NOTES TO THE FINANCIAL STATEMENTS** *Continued*

**7. Tangible fixed assets**

	Overhaul	Vehicles, equipment & fittings	Generating station	Flue gas desulphurisation	Assets in the course of construction	Total tangible assets
	£000	£000	£000	£000	£000	£000
<b>Cost</b>						
At 1 January 2004 (restated)	22,772	7,938	343,479	91,894	25,864	491,947
Additions	11,246	8,365	8,100	-	800	28,511
Transfer in/(out)				25,092	(25,092)	-
<b>At 31 December 2004</b>	<b>34,018</b>	<b>16,303</b>	<b>351,579</b>	<b>116,986</b>	<b>1,572</b>	<b>520,458</b>
<b>Depreciation</b>						
At 1 January 2004	4,946	328	37,079	2,458	-	44,811
Charge for the year	6,543	596	16,968	6,464	-	30,571
<b>At 31 December 2004</b>	<b>11,489</b>	<b>924</b>	<b>54,047</b>	<b>8,922</b>	<b>-</b>	<b>75,382</b>
<b>Net book amount</b>						
<b>At 31 December 2004</b>	<b>22,529</b>	<b>15,379</b>	<b>297,532</b>	<b>108,064</b>	<b>1,572</b>	<b>445,076</b>
At 31 December 2003	17,826	7,610	306,400	89,436	25,864	447,136

Included within generating station additions is £8,100,000 comprising the asset relating to the decommissioning provision at year end. Refer to note 13.

**8. Debtors**

	2004 £000	Restated 2003 £000
<b>Debtors: amounts falling due within one year</b>		
Other debtors	13,838	11,571
Corporation tax (Group payments)	32,856	20,132
Deferred taxation recoverable (note 12)	28,650	40,413
	<b>75,344</b>	<b>72,116</b>
<b>Debtors: amounts falling after more than one year</b>		
Amounts owed by other group companies	275,000	275,000
	<b>350,344</b>	<b>347,116</b>

**NOTES TO THE FINANCIAL STATEMENTS Continued**

**9. Creditors: amounts falling due within one year**

	2004 £000	Restated 2003 £000
Bank overdrafts	48,294	29,894
Trade Creditors	20,826	19,770
Deferred income (note 11)	27,492	27,492
Amounts owed to other group companies	505,924	494,075
	<b>602,534</b>	<b>571,232</b>

**10. Creditors: amounts falling due after more than one year**

	2004 £000	2003 £000
Deferred income (note 11)	161,791	189,359
	<b>161,791</b>	<b>189,359</b>

**11. Deferred income**

	2004 £000
Balance as at 1 January 2004	189,359
Received during the year	-
Credited to the profit and loss account during the year	(27,568)
Balance as at 31 December 2004	<b>161,791</b>

**12. Deferred taxation**

The movements in deferred taxation during the current year are as follows:

	Restated At 1 January 2004 £000	Utilised in the year £000	At 31 December 2004 £000
Deferred tax asset	40,413	(11,763)	28,650
	<b>40,413</b>	<b>(11,763)</b>	<b>28,650</b>

**NOTES TO THE FINANCIAL STATEMENTS Continued**

**12. Deferred taxation (continued)**

Deferred taxation recognised in the financial statements is as follows:

	2004 £000	2003 £000
Accelerated capital allowances	(19,068)	(14,234)
Other timing differences	47,718	54,647
Deferred tax asset	28,650	40,413

**13. Provision for liabilities and charges**

	At 1 January 2004 £000	Arising during the year £000	At 31 December 2004 £000
Decommissioning provision	-	8,100	8,100
	-	8,100	8,100

**14. 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	1	1	1	1

**15. Reconciliation of shareholders' funds and movement on reserves**

	Share capital £000	Profit and loss account £000	Total share- holder's funds £000
At 1 January 2003 as previously stated	-	53,137	53,137
Prior year adjustment	-	(7,227)	(7,227)
At 1 January 2003 - restated		45,910	45,910
Loss for the year	-	(12,248)	(12,248)
At 31 December 2003 restated	-	33,662	33,662
Loss for the year	-	(10,668)	(10,668)
At 31 December 2004	-	22,994	22,994

## NOTES TO THE FINANCIAL STATEMENTS Continued

### 16. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £3,503,113 (2003 - £3,447,631).

### 17. 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.

### 18. Prior year adjustment

Since the acquisition of EDF Energy (West Burton Power) Ltd and the Company by the EDF Energy group on 30 December 2001 fixed asset additions in connection with the construction of a Flue Gas Desulphurisation Plant have been recorded in the accounts of EDF Energy (West Burton Power) Ltd and transferred to the Company on completion. This equipment should have been recorded in the accounts of the Company and should not have appeared in the accounts of EDF Energy (West Burton Power) Ltd as the power station is owned by the company and the Flue Gas Desulphurisation plant was contracted by the company. A prior year adjustment has been made to reflect this correction.

As set out in Note 1, the company has also changed its accounting policy for the capitalisation of interest. Interest is now expensed as incurred. A further prior year adjustment has been made to reflect this change in policy.

The effect on the Company's profit and loss account for the year ended 31 December 2003 is shown below.

	2003 £000
Increase in interest payable as a result of change in interest capitalisation accounting policy	(1,610)
Decrease in depreciation	70
Related decrease in deferred tax charge	483
<b>Increase in net loss for the financial year</b>	<b>(1,057)</b>

The effect on the Company's opening distributable reserves for the year ended 31 December 2003 is shown below.

	2003 £000
Increase in interest payable as a result of change in interest capitalisation accounting policy	(2,666)
Decrease in deferred tax charge as a result of change in tangible fixed assets accounting policy	800
Deferred tax adjustment on fixed asset recognition	(5,361)
<b>Reduction in opening reserves</b>	<b>(7,227)</b>

## NOTES TO THE FINANCIAL STATEMENTS Continued

### 18. Prior year adjustment (continued)

The effect on the Company's balance sheet at 31 December 2003 is shown below.

	As previously reported	Accounting policy change	2003 Fixed asset adjustment	Per accounts (Restated)
	£000	£000	£000	£000
Tangible fixed assets	421,974	(4,206)	29,368	447,136
Debtor falling due within one year	64,643	1,283	6,190	72,116
Debtor falling due after more than one year	275,000	-	-	275,000
Creditors falling due within one year	(530,312)	-	(40,919)	(571,231)
Creditor falling due after more than one year	(189,359)	-	-	(189,359)
Net assets	41,946	(2,923)	(5,361)	33,662

### 19. Parent undertaking and controlling party

EDF Energy (West Burton Power) Limited holds a 100% interest in West Burton Property 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, 22-30 Avenue de Wagram, 75382, Paris, Cedex 08, France.

4267546



**Erratum to the West Burton Property Limited financial statements , year ended 31 December 2004**

West Burton Property Limited financial statements for the period to 31 December 2004 were submitted to Companies house on the 17 March 2006.

Three minor errors have subsequently been noted within the submitted financial statements which all impact upon note 9. The total per the current liabilities note, note 9, does not match the face of the balance sheet in 2004 or 2003. In 2003, the difference is £1,000 and arose because the sub-total was not equal to the total of the sub-categories. In 2004, Trade Creditors was overstated by £1,000, and the sub-total did not agree to either the face of the balance sheet or to the total of the sub-categories.

If note 9 was corrected, it would appear as follows:

**9. Creditors: amounts falling due within one year**

	2004	Restated
	2003	
	£000	£000
Bank overdrafts	48,294	29,894
Trade Creditors	20,825	19,770
Deferred income (note 11)	27,492	27,492
Amounts owed to other group companies	505,924	494,075
	602,535	571,231

By order of the Board of Directors

4<sup>th</sup> July 2006