EDF ENERGY (UK) LIMITED

Registered number 2622406

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2012

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Directors

Vincent de Rivaz
Philippe Messager
Simone Rossi
Alastair Russell

Company Secretary

Guido Santi

Auditor

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DIRECTORS' REPORT

The Directors present their annual report and financial statements for the year ended 31 December 2012

Principal activity and review of the business

EDF Energy (UK) Limited (the "Company") is the holding company for Electricite de France SA's ("EDF SA" or "EDF Group") interest in power generation and supply in the United Kingdom It will continue in this activity for the foreseeable future

In the United Kingdom, the activities of EDF Energy (UK) Limited and its subsidiaries (the "Group") are managed on a group basis For this reason and the fact that the Company is non-trading, 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 Group which includes the Company is discussed in the EDF Group's Annual Report, which does not form part of this Report

Results and dividends

The profit for the year, before taxation, amounted to €166m (2011 €488m) and after taxation to a profit of €297m (2011 €540m) Dividends of €480m were paid during the year (2011 £nil)

Post balance sheet events

On 4 February 2013, Centrica announced its decision to end its partnership with EDF Energy for the construction of EPRs in the United Kingdom, by exercising its option to sell to EDF Energy Centrica's 20% investment in NNB The Group already owned 80% of NNB and will therefore become the company's sole shareholder Under the terms of the NNB shareholders' agreement, which terminated upon completion of the share sale, EDF Energy paid Centrica £5 6 million for Centrica's £205 million investment in NNB EDF Energy is currently seeking a new joint venture partner to invest alongside it in NNB The Group is continuing discussions with the British government to agree on a sale price for zero-carbon electricity Once this price has been set, the Group is confident that the Hinkley Point C project will attract considerable interest from investing partners and will go ahead Centrica will continue to work with EDF Energy through its 20% interest in EDF Energy's existing nuclear facilities in the United Kingdom and will retain its commercial electricity purchase contracts with the Group

On 19 March 2013, the Secretary of State for Energy and Climate Change granted the Company a Development Consent Order ("DCO"), giving it planning permission to build two European Pressurised Reactors at Hinkley Point C site

On 27 March 2013, the sale of Sutton Bridge to a Macquarie-led group of investors was completed This followed completion of certain condition precedents subsequent to the signing of the sale and purchase agreement in December 2012

No other matter or circumstance has arisen since the balance sheet date that has significantly affected, or may significantly affect, the Company's operations, the results of those operations, or the Company's state of affairs, in future financial years

Directors

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

Vincent de Rivaz
Philippe Messager
Alastair Russell
Simone Rossi

None of the Directors has a service contract with the Company Alastair Russell and Simone Rossi are employed by a subsidiary company, EDF Energy plc, and have a service contract with that company The remaining Directors are employed by and have a service contract with the ultimate parent company EDF SA

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

DIRECTORS' REPORT continued

Going concern

After making enquiries and reviewing forecasts the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future This is based on financing facilities in place with a parent company and forecast dividends from subsidiary companies Accordingly they continue to adopt the going concern basis in preparing the financial statements

Financial risk management

The Company considers its principal risks to arise from foreign exchange, interest rate and liquidity risks The Company is not exposed to any other significant market risk

The Company's exposure to foreign currency risk mainly relates to the currency exposure on the investment in subsidiaries, on sterling denominated debtors and the derivatives The Group's policy is to hedge known currency exposures as they arise The sterling and euro currency swap agreements fix the sterling equivalent for part of the investment in subsidiaries

The Company's exposure to liquidity risk is reduced as it is a 100% subsidiary of the EDF Group of Companies Liquidity risk is mitigated by the borrowing facilities provided given by EDF SA, its parent company

The Company's exposure to interest rate risk is mitigated by its long term borrowings being at fixed interest rates

The future prospects of the Company are dependent on the performance of its investment in subsidiaries The investment in EDF Energy Holdings Limited has been reviewed and the carrying value is considered to be recoverable based on forecast performance of subsidiaries within the EDF Energy Holdings Limited group

Disclosure of information to Auditor

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 Auditor is unaware, and
- the Director has taken all the steps that he/ she ought to have taken as a director in order to make himself/ herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information

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

Auditor

It is noted that under the provisions of the Companies Act 1985, the members have previously dispensed with the requirement to appoint auditors annually and that under the provisions of Section 487 of the Companies Act 2006, the current auditor is deemed to re-appointed until such time that the directors or the members of the Company resolve otherwise It is further noted that the Directors have been authorised to fix the remuneration of the auditor

By order of the Board

Simone Rossi
Director
28 June 2013

DIRECTORS' RESPONSIBILITIES STATEMENT

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 the affairs of the Company and of the profit or loss of the Company for the period In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK 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 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 to 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDF ENERGY (UK) LIMITED

We have audited the financial statements of EDF Energy (UK) Limited for the year ended 31 December 2012 which comprise the Profit and Loss account, the Balance Sheet, and the related notes numbered 1 to 17 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 Chapter 3 of Part 16 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 auditor's 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 Auditor
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 and express an opinion on 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 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 2012 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 Auditor
London, UK
28 June 2013

PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2012

	Notes	**2012** **€m**	2011 €m
Income from fixed asset investments	*4*	**710**	677
Interest receivable and similar income	*5*	**750**	631
Interest payable and similar charges	*6*	**(1,294)**	(820)
Profit on ordinary activities before taxation		**166**	488
Tax credit on profit on ordinary activities	*7*	**131**	52
Profit for the financial year		**297**	540

There were no recognised gains or losses in either year other than the profit for both years and therefore no statement of total recognised gains and losses has been presented

All results are from continuing operations

BALANCE SHEET
AT 31 DECEMBER 2012

	Notes	2012 €m	2011 €m
Fixed assets			
Investment in subsidiary undertakings	8	**15,454**	14,849
Derivatives and other financial instruments	9	**809**	627
		16,263	15,476
Current assets			
Debtors amounts falling due within one year	10	**213**	173
Cash		**17**	38
Total current assets		**230**	211
Creditors amounts falling due within one year	11	**(1,246)**	(935)
Net current liabilities		**(1,016)**	(724)
Total assets less current liabilities		**15,247**	14,752
Creditors amounts falling due after one year	12	**(5,801)**	(5,578)
Derivatives and other financial instruments	9	**(1,271)**	(816)
Net assets		**8,175**	8,358
Capital and reserves			
Called up share capital	13	**7,207**	7,207
Share premium	14	**4**	4
Re-denomination reserve	14	**1,402**	1,402
Translation reserve	14	**(952)**	(952)
Equity reserve	14	**490**	490
Profit and loss account	14	**24**	207
Shareholders' funds		**8,175**	8,358

The financial statements of EDF Energy (UK) Limited, registered number 2622406 on pages 6 to 18 were approved by the Board of Directors on 28 June 2013 and were signed on its behalf by

Simone Rossi
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 current year and preceding year

Basis of preparation

These financial statements have been prepared under the historical cost convention, modified to include fair valuation of derivatives and in accordance with applicable law and 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, headed by Electricité de France SA whose consolidated financial statements include a cash flow statement and are publicly available (see note 16)

Consolidation

The Company is exempt from preparing consolidated accounts as it is a member of a group, headed by Electricité de France SA whose consolidated financial statements are publicly available (see note 16)

Going concern

After making enquiries and reviewing forecasts, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future This is based on financing facilities in place with a parent company and forecast dividends from subsidiary companies Accordingly they continue to adopt the going concern basis in preparing the financial statements

Financial risk management

The Company is exposed to financial risk through its financial assets and liabilities The key financial risk is that the proceeds from current assets are not sufficient to fund the obligations arising from liabilities as they fall due The most important components of financial risk are interest rate risk, foreign exchange risk, credit risk, and liquidity risk Due to the nature of the Company's business and the assets and liabilities contained within the Company's balance sheet the only financial risks the Directors consider relevant to this Company are foreign exchange risk, interest rate risk and liquidity risk

The Company's exposure to liquidity risk is reduced as it is a 100% subsidiary of the EDF International group of Companies Liquidity risk is mitigated by the financial support given by EDF SA, a fellow Group company The Company's foreign exchange risk is mitigated by the GBP and euro currency swap agreements which fix the sterling equivalent for part of the investment in subsidiaries into euros The Company's exposure to interest rate risk is mitigated by its long term borrowings being at fixed interest rates

Foreign currency translation

The functional and presentation currency of EDF Energy (UK) Limited is euros Transactions in foreign currency are initially recorded in the functional currency rate at the rate on the date of the transaction Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing balance sheet exchange rate All differences are taken to the profit and loss account Non-monetary assets and liabilities are translated at the rates prevailing on the date of transaction unless hedge accounting has been applied

NOTES TO THE FINANCIAL STATEMENTS continued

1. Accounting policies continued

Investments

Fixed asset investments are shown at cost less provision for impairment unless they are designated in a fair value hedge relationship of movements in the Euro/GBP exchange rate Investments in a hedge relationship are re-translated into euros at the spot foreign exchange rate at each reporting date with any movements being recognised within interest in the profit and loss account

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, 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

Deferred tax is measured at the average tax rates that are expected to apply on periods in which the timing differences are expected to reverse, based on tax rates that have been enacted or substantively enacted at the balance sheet date on an undiscounted basis

Convertible bond

The liability component of the convertible bond is recognised initially at the fair value of a similar liability that does not have an equity conversion option The equity component is recognised initially as the difference between the fair value of the convertible bond as a whole and the fair value of the liability component Any directly attributable transaction costs are allocated to the liability and equity components as appropriate in proportion to their initial carrying amounts Subsequent to initial recognition, the liability component of the convertible bonds is measured at amortised cost using the effective interest method The equity component of the convertible bonds is not re-measured subsequent to initial recognition except on conversion or expiry

Financial instruments

Financial assets and liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instruments

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and other short-term liquid investments which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value

Financial liabilities and equity

Financial liabilities are classified according to the nature of the contractual obligations, and are based on the definition of a liability An equity instrument is a contract that evidences a residual interest in the assets of the Company

NOTES TO THE FINANCIAL STATEMENTS continued

1. Accounting policies continued

Financial instruments continued

Interest-bearing loans and borrowings

Interest-bearing loans and overdrafts are initially measured at proceeds received, net of direct issue costs Any differences between the proceeds and the settlement/redemption of the borrowings are measured on an accrual basis and recognised over the life of the instrument

Derivatives and other financial instruments and hedge accounting

The Company's activities expose it to fluctuations in foreign exchange rates

The use of derivatives and other financial instruments is governed by the Company's policies, approved by the Board of EDF Energy (UK) Limited The Company does not use derivatives and other financial instruments for speculative purposes

Derivatives and other financial instruments are measured at fair value on the contract date and are re-measured to fair value at subsequent reporting dates Changes in the fair value of derivatives and other financial instruments that do not qualify for hedge accounting are recognised in the profit and loss account as they arise Changes in the fair values of derivative financial instruments that are designated as fair value hedges are also recognised immediately in the profit and loss account

Hedge accounting

The Company designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as fair value hedges

At inception of the hedge relationship, the entity documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking the hedge transactions Furthermore, at the inception of the hedge, and an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item

Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in interest receivable/interest payable in the profit and loss account

Hedge accounting is discontinued when the Company revokes the hedging relationship, the hedge instrument expires or is sold, terminated, exercised, or no longer qualifies for hedge accounting

NOTES TO THE FINANCIAL STATEMENTS continued

2 Operating result

In 2012, an amount of €28,495 (2011 €27,840) was paid to Deloitte LLP for audit services In 2012, amounts payable to Deloitte LLP and associates by the Company in respect of non-audit services were £nil (2011 €nil) All charges were borne by another Group Company in 2012

3. Directors' emoluments

None of the Directors received any remuneration for services to the Company during the year or preceding year There were no employees in the Company in either the current or preceding year

4 Income from fixed asset investments

	2012 €m	2011 €m
Dividends received from subsidiary undertakings	**710**	677

5 Interest receivable and similar income

	2012 €m	2011 €m
Gain arising on fair value of sterling euro forward	**468**	245
Periodic receipts on cross currency basis swap	**-**	32
Foreign exchange gain on sterling denominated investments	**279**	350
Other foreign exchange gain	**3**	4
	750	631

€279m (2011 €350m) of the retranslation gain on sterling denominated investments related to the retranslation of an investment in a subsidiary which is the hedged item in a fair value hedge The hedging instrument is the cross currency swap shown in Note 6 which is a hedge of the fair value risk on the instrument with regard to foreign exchange movements only

The difference between the €279m (2011 €350m) gain arising in relation to the sterling denominated investments and the €499m (2011 €294m) fair value loss arising in relation to the cross currency swap relates to the element of the swap which is not designated as a fair value hedge

The investment in the subsidiary was originally hedged by a forward contract, however this is now offset by an equal and opposite forward contract (Note 9)

6. Interest payable and similar charges

	2012 €m	2011 €m
Interest payable on bonds	**192**	188
Interest payable on intragroup loans	**8**	7
Periodic payments on cross currency basis swap	**28**	-
Unwinding of discount on convertible bond	**99**	95
Loss arising on fair value of euro sterling forward	**468**	236
Loss arising on fair value of euro sterling cross currency basis swap	**499**	294
	1,294	820

NOTES TO THE FINANCIAL STATEMENTS continued

7. Tax on profit on ordinary activities

(a) Analysis of tax credit in the year

UK current tax

	2012 €m	2011 €m
UK corporation tax credit on profit for the year	**(133)**	(50)
Adjustment in respect of prior periods	**2**	(2)
Total current tax credit (note 7(b))	**(131)**	(52)

The Finance Act 2012 announced a further reduction in the main rate of corporation tax for the financial year beginning 1 April 2012 from 25% to 24% This change was substantively enacted under the Provisional Collection of Taxes Act 1968 on 27 March 2012 and has therefore been reflected where appropriate in these financial statements

The Finance Act 2012 also announced a further reduction in the main rate of corporation tax for the financial year beginning 1 April 2013 from 24% to 23% This change was subsequently enacted on 17 July 2012 and has therefore been disclosed where appropriate in these financial statements

The Chancellor's autumn statement on 5 December 2012 announced a further reduction in the main rate of corporation tax for the financial year beginning 1 April 2014 from 23% to 21%

The Chancellor's Budget on 20 March 2013 announced a further reduction in the main rate of corporation tax for the financial year beginning 1 April 2015 from 21% to 20%

(b) Factors affecting tax credit for the year

	2012 €m	2011 €m
The tax assessed for the year is lower (2011 lower) than the standard rate of corporation tax in the UK 24 5%, (2011 26 5%)		
The differences are explained below		
Profit on ordinary activities before tax	**166**	488
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK	**41**	129
Effect of		
Dividends received from UK companies	**(174)**	(179)
Adjustment in respect of prior periods	**2**	(2)
Current tax credit for the year	**(131)**	(52)

NOTES TO THE FINANCIAL STATEMENTS continued

8. Investments in subsidiary undertakings, associates and joint ventures

Cost and net book value	€m
At 1 January 2011	14,499
Foreign exchange revaluations arising as a result of fair value hedge relationship	350
At 31 December 2011	**14,849**
Additions	326
Foreign exchange revaluations arising as a result of fair value hedge relationship	279
At 31 December 2012	**15,454**

The company subscribed to 256m shares in EDF Energy Holdings Limited, a wholly owned subsidiary, in the year at a cost of €326m

The non dormant subsidiary undertakings at 31 December 2012, which are incorporated in the United Kingdom and are registered and operate in England, Scotland and Wales (unless otherwise stated), are as follows

Name of subsidiary *	Proportion of ownership interest and voting power held %	Principal activity
British Energy Bond Finance plc *	80%	Financial activities
British Energy Direct Limited *	100%	Sale of electricity
British Energy Finance Limited *	80%	Financial activities
British Energy Generation (UK) Limited *	80%	Holding company
EDF Energy Nuclear Generation Limited *	80%	Power generation
EDF Energy Nuclear Generation Group Limited *	80%	Holding company
British Energy Holdings Limited * (Canada)	80%	Holding company
British Energy International Holdings Limited *	80%	Holding company
British Energy Investment Limited *	80%	Investment company
British Energy Limited *	80%	Holding company
British Energy Renewables Limited *	80%	Renewable power generation
British Energy Trading and Sales Limited *	80%	Sale of electricity
British Energy Trading Services Limited *	80%	Sale of electricity
British Energy Technical Services Limited *	80%	Sale of electricity
British Energy Treasury Finance Limited *	80%	Financial activities
British Energy Trustees Limited *	80%	Financial activities
Bruce Hydro Inc * (Canada)	80%	Power generation
Bruce Power Operating Corp * (Canada)	80%	Power generation
EDF Energy Investments *	100%	Holding company
Cheshire Cavity Storage Group Limited *	100%	Holding company
Cheshire Cavity Storage 1 Limited *	100%	Provision of gas storage facilities
Deletepicnic Limited *	100%	Holding company
EDF Energy Dormant Holdings Limited *	100%	Holding company
EDF Energy plc *	100%	Sale of electricity
EDF Energy 1 Limited *	100%	Marketing and supply of electricity and gas
EDF Energy (Cottam Power) Limited *	100%	Provision and supply of electricity generation
EDF Energy Customers plc *	100%	Electricity retailing
EDF Energy (Energy Branch) plc *	100%	Investment in electricity generation
EDF Energy Fleet Services Limited *	100%	Transport services

NOTES TO THE FINANCIAL STATEMENTS continued

8. Investments in subsidiary undertakings, associates and joint ventures continued

EDF Energy Group Holdings plc *	100%	Holding company
EDF Energy Holding Limited	100%	Holding company
EDF Energy (London Heat & Power) Limited *	100%	Generation and supply of electricity and heat
EDF Energy (Metro Holdings) Limited *	100%	Investment company
EDF Energy (Northern Offshore Wind) Limited*	100%	Development of generation and supply
EDF Energy (Projects) Limited *	100%	Investment company
EDF Energy (Sutton Bridge Holdings) Limited *	100%	Investment in power generation company
EDF Energy (Sutton Bridge Power) *	100%	Provision and supply of electricity generation
EDF Energy (West Burton Power) Limited*	100%	Power generation
Eggborough Power (Holdings) Limited*	80%	Holding company
High Hedley Hope Wind Limited*	100%	Renewable power generation
Hunterston Properties Limited*	100%	Property company
Jade Power Generation Limited *	100%	Power generation
Kirkheaton Wind Limited*	75%	Renewable power generation
Lake Acquisitions Limited *	80%	Holding company
Lochside Energy Inc * (Canada)	80%	Financial activities
Lochside Insurance Limited * (Guernsey)	80%	Insurance company
EDF Energy SB Power Systems (London) Limited *	100%	Investment in power generation company
NNB Holding Company Limited *	80%	Holding company
NNB Generation Company Limited *	80%	Development of generation and supply
NNB Land Company Limited *	80%	Property company
Norfolk Offshore Wind Limited *	100%	Development of generation and supply
Northern Power Limited*	80%	Power generation
SEEBOARD Energy Limited*	100%	Energy supply
SEEBOARD Energy Gas Limited*	100%	Gas supply
Stornoway Wind Power Limited *	80%	Renewable power generation
Sutton Bridge Financing Limited* (Cayman Islands)	100%	Financial activities
Sutton Bridge Investors *	100%	Investment in power generation company
Sutton Bridge Power Fund*	100%	Investment company
The Barkantine Heat & Power Company Limited*	100%	Generation and supply of electricity and heat
West Burton Limited*	100%	Power generation
West Burton Property Limited*	100%	Investment company
Western Isles Renewables Limited*	80%	Renewable power generation

* Indirectly held

NOTES TO THE FINANCIAL STATEMENTS continued

8. Investments in subsidiary undertakings, associates and joint ventures continued

The associates and joint ventures at 31 December 2012, which are all held indirectly, incorporated in the United Kingdom and are registered and operate in England and Wales, are as follows

Name of subsidiary	Percentage of ordinary shares held	Principal activity
Barking Power Limited	18 6%	Power generation
Trans4m Limited	25 0%	Engineering contractor
Lewis Wind Power Limited	50 0%	Renewable energy generation
EDF Energy Renewables Limited	50 0%	Renewable energy generation
Royal Oak Windfarm Limited	50 0%	Renewable energy generation
Bicker Fen Windfarm Limited	50 0%	Renewable energy generation
Burnfoot Windfarm Limited	50 0%	Renewable energy generation
Fairfield Windfarm Limited	50 0%	Renewable energy generation
Rusholme Windfarm Limited	50 0%	Renewable energy generation
Walkway Windfarm Limited	50 0%	Renewable energy generation
Teesside Windfarm Limited	50 0%	Renewable energy generation
Longpark Windfarm Limited	50 0%	Renewable energy generation
Fallago Rig windfarm limited	50 0%	Renewable energy generation

9 Derivatives and other financial instruments

	2012 €m	2011 €m
Derivative asset	**809**	627
Derivative liability	**(1,271)**	(816)

The derivative asset comprises the fair value of a £9 9bn sterling euro forward which commenced on 10 May 2010 This forward was entered into to mitigate the impact of the £9 9bn euro sterling forward which was entered into in 2009

The derivative liability comprises €695m (2011 €481m) the fair value of a £9 9bn euro sterling forward which commenced on 30 June 2009 The other element is the fair value of a £9 9bn euro sterling cross currency basis swap which commenced on 10 May 2010 and has been designated as a fair value hedge of the foreign exchange movements in the sterling denominated investment At 31 December 2012 the fair value of this instrument (liability) was €576m (2011 liability of €335m)

10 Debtors amounts falling due within one year

	2012 €m	2011 €m
Corporation tax (Group payments)	**213**	173
	213	173

NOTES TO THE FINANCIAL STATEMENTS continued

11 Creditors amounts falling due within one year

	2012 €m	2011 €m
Accrued interest	**88**	85
Borrowings from other Group Companies	**1**	-
Amounts owed to immediate parent company	**306**	-
Amounts owed to subsidiary undertakings	**1**	-
€850m 3 89% Bonds due 2012 (note 12)	**-**	850
€850m 4 35% Bonds due 2013 (note 12)	**850**	-
	1,246	935

12. Creditors. amounts falling due after one year

	2012 €m	2011 €m
€850m 4 35% Bonds due 2013 (i)	**-**	850
€850m 4 72% Bonds due 2014 (i)	**850**	850
€850m 5 05% Bonds due 2015 (i)	**850**	850
€975m 4 25% Bonds due 2022 (i)	**975**	-
€3,314m convertible bond 2012-2014 (ii)	**3,126**	3,028
	5,801	5,578

(i) These bonds were all issued to EIG, an EDF SA company on 30 June 2009 On 29 June 2012, the €850m 3 89% bond matured It was extended to 29 June 2022 at an annual coupon rate of 4 249% and the nominal amount of the bond was increased by €125m

(ii) The convertible bond with a nominal value of €3,314m, a conversion premium of 40% and an annual coupon of 1 085% was issued on 16 October 2009 The holder has the right, but not the obligation, to convert the note into a fixed number of shares in the Company at any time between 16 October 2012 and maturity on 16 October 2014 At redemption the Company may be forced to pay cash equal to the nominal amount if the holder does not choose to convert the bonds into shares All bonds are held by EDF International SAS, the parent company

13. Share capital

Allotted, called up and fully paid

	2011 Number	2010 Number	2012 €m	2011 €m
Ordinary shares of €1 each	**7,207,237,927**	7,207,237,927	**7,207**	7,207
Ordinary shares of €1 each	**7,207,237,927**	7,207,237,927	**7,207**	7,207

NOTES TO THE FINANCIAL STATEMENTS continued

14. Reconciliation of movements in shareholders' funds

	Share capital €m	Share premium €m	Redenomination reserve €m	Translation reserve €m	Equity reserve €m	Profit and loss account €m	**Total €m**
At 1 January 2011	8,609	4	-	(952)	490	(333)	**7,818**
Profit for the year	-	-	-	-	-	540	**540**
Re-denomination of shares	(1,402)	-	1,402	-	-	-	-
At 1 January 2012	7,207	4	1,402	(952)	490	207	**8,358**
Profit for the year	-	-	-	-	-	297	**297**
Equity dividends paid	-	-	-	-	-	(480)	**(480)**
At 31 December 2012	**7,207**	**4**	**1,402**	**(952)**	**490**	**24**	**8,175**

The redenomination reserve relates to the redenomination of the sterling denominated shares

The equity reserve relates to equity component of the convertible bond which was issued in 2009 (see note 12)

15 Related parties

In accordance with FRS 8 'Related party disclosures', the Company is exempt from disclosing transactions with entities that are part of the Company or investees of the Company qualifying as related parties, as it is a wholly owned subsidiary of a parent which prepares consolidated financial statements which are publicly available (see note 16)

16 Ultimate parent undertaking and controlling party

EDF International SAS ("EDFI") holds a 100% interest in EDF Energy (UK) Limited and is considered to be the immediate parent company EDFI is the smallest group for which consolidated financial statements are prepared, copies of which may be obtained from EDF International SAS, 22-30 Avenue de Wagram, 75382, Paris, Cedex 08, France

At 31 December 2012, Electricite de France SA, 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

NOTES TO THE FINANCIAL STATEMENTS continued

17. Post balance sheet events

On 4 February 2013, Centrica announced its decision to end its partnership with EDF Energy for the construction of EPRs in the United Kingdom, by exercising its option to sell to EDF Energy Centrica's 20% investment in NNB The Group already owned 80% of NNB and will therefore become the company's sole shareholder Under the terms of the NNB shareholders' agreement, which terminated upon completion of the share sale, EDF Energy paid Centrica £5 6 million for Centrica's £205 million investment in NNB EDF Energy is currently seeking a new joint venture partner to invest alongside it in NNB The Group is continuing discussions with the British government to agree on a sale price for zero-carbon electricity Once this price has been set, the Group is confident that the Hinkley Point C project will attract considerable interest from investing partners and will go ahead Centrica will continue to work with EDF Energy through its 20% interest in EDF Energy's existing nuclear facilities in the United Kingdom and will retain its commercial electricity purchase contracts with the Group

On 19 March 2013, the Secretary of State for Energy and Climate Change granted the Company a Development Consent Order ("DCO"), giving it planning permission to build two European Pressurised Reactors at Hinkley Point C site

On 27 March 2013, the sale of Sutton Bridge to a Macquarie-led group of investors was completed This followed completion of certain condition precedents subsequent to the signing of the sale and purchase agreement in December 2012

No other matter or circumstance has arisen since the balance sheet date that has significantly affected, or may significantly affect, the Company's operations, the results of those operations, or the Company's state of affairs, in future financial years