



**EDF ENERGY PLC**

**Registered Number 2366852**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**31 DECEMBER 2012**



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### **Directors**

Vincent de Rivaz  
Simone Rossi

### **Company Secretary**

Joe Souto

### **Auditor**

Deloitte LLP  
2 New Street Square  
London  
EC4A 3BZ

### **Registered Office**

40 Grosvenor Place  
Victoria  
London  
SW1X 7EN

## DIRECTORS' REPORT

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

### Principal activities and review of the business

The Company's principal activities during the year continued to be procurement of energy and commodities on behalf of other companies within the EDF Energy plc group and the provision of head office services. It will continue with these activities for the foreseeable future.

### Results and dividends

The loss for the year before taxation amounted to £28.7m (2011: £41.0m profit) and the profit after taxation amounted to £19.6m (2011: £65.2m profit - restated). No dividends were paid in the year (2011: £80.0m).

EDF Energy plc is a wholly owned subsidiary of EDF Energy Holdings Limited (the "Group") which manages its operations on a business segment basis. For this reason, 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 Energy Sourcing and Customer Supply Business Unit, which includes the Company, is discussed in the Group's Annual Report which does not form part of this report.

### Directors

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

Vincent de Rivaz

Simone Rossi

Simone Rossi is employed by and has a service contract with the Company. Vincent de Rivaz is employed by and has a service contract with the ultimate parent company Electricité de France SA ("EDF SA").

There are no contracts of significance during or at the end of the financial year in which a Director of the Company has a material interest.

Neither of the Directors who held office at the end of the financial year had any interests in the shares of the Company or any Group company that are required to be disclosed in accordance with the Companies Act 2006.

There were qualifying third-party indemnity provisions in place for the benefit of one or more Directors of the Company during the financial year and at the date of approval of the financial statements.

### Risk management

The following is a discussion of the key risks facing the Company together with a summary of the Company's approach to managing those risks.

#### Margin risk

The Company purchases gas and electricity on behalf of other companies within the Group and recharges the costs to EDF Energy Customers plc. The Company makes a fixed margin per month relating to its energy trading activities, but margin risk arises as the margin percentage will fluctuate in line with price changes. Risk management is monitored for the whole of EDF Energy, through sensitivity analysis and stop loss per commodity and across commodities, within the Group risks mandate.

**DIRECTORS' REPORT continued**

**Interest rate risk**

The Company's exposure to interest rate fluctuations on its borrowings and deposits is managed principally through the use of fixed rate debt instruments and swap agreements. The Company's policy is to use derivatives to reduce exposure to short-term interest rates and not for speculative purposes.

**Foreign currency risk**

The Company's exposure to foreign currency risk mainly relates to the currency exposure on the service of interest and capital on euro-denominated debt, the purchase of energy and EU emissions certificates and other foreign currency-denominated purchases. The Company's policy is to hedge/fix known currency exposures as they arise. The euro currency swap agreements fix the sterling equivalent that will be required to service the interest and capital repayments of foreign currency debt instruments. The Company enters into forward currency purchase contracts to fix the sterling price for future foreign currency-denominated transactions.

**Credit risk**

The Company's credit risk is primarily attributable to its trade receivables. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. Risk of loss is monitored through establishment of approved counterparties, maximum counterparty limits and minimum credit ratings.

**Health and safety risk**

The health and safety of all our employees, contractors, agency staff and the public is a key risk given the nature of the Company's business. To minimise this risk, the Company is committed to creating a culture that views safe working as the only way of working and to reviewing all our processes and procedures to ensure they deliver this. Training is provided to managers to ensure they understand their responsibility for the safety of the employees that they set to work. In addition, a confidential helpline has been set up for the use of anyone within the organisation to help eradicate unsafe practices and safeguard our employees.

**Political and charitable contributions**

During the year, the Company made various charitable contributions totalling £10,988 (2011: £317,375) and no political contributions (2011: £nil).

**Creditors' payment policy**

The Group's current policy concerning the payment 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, 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 2012, the Company had an average of 15.8 days (2011: 19.4 days) purchases outstanding in its trade creditors.

**DIRECTORS' REPORT** continued

**Employee involvement**

The Company keeps its employees informed on matters affecting them. This is carried out in a number of ways, including formal and informal briefings, departmental meetings and regular reports in staff newsletters and on the Group intranet.

**Equal opportunities**

The Company is fully committed to ensuring that all current and potential future employees and customers are treated fairly and equally, regardless of their gender, sexual orientation, marital status, disability, race, colour, nationality or ethnic origin. The Company provides equal opportunities for employment, training and development, having regard to particular aptitudes and abilities. In the event of employees becoming disabled during employment, where possible, assistance and retraining is given so that they may attain positions compatible with their ability.

**Going concern**

After making enquiries and reviewing cash flow forecasts and available facilities for at least the next 12 months, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. This judgement has been formed taking into account the principal risks and uncertainties that the Company faces and which have been outlined in more detail elsewhere in the Directors' report. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements.

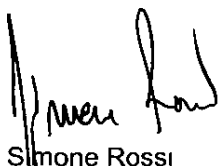
**Auditor**

Each of the persons who is a Director at the date of approval of this 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 ought to have taken as a Director in order to make himself 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.

Deloitte LLP have indicated their willingness to continue in office as Auditor to the Company. A resolution to reappoint Deloitte LLP as Auditor will be tabled at the forthcoming Annual General Meeting.

On behalf of the Board



Simone Rossi  
Director

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

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting 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 PLC

We have audited the financial statements of EDF Energy plc for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 27. 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### 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.

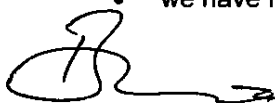
### Opinion on other matter prescribed by the Companies Act 2006

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, United Kingdom  
Date 27 June 2013

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2012**

	<i>Note</i>	<b>2012 £m</b>	2011 £m (restated)
<b>Turnover</b>	<b>2</b>	<b>4,594.6</b>	3,802.5
Cost of sales		<b>(4,514.6)</b>	(3,713.1)
<b>Gross profit</b>		<b>80.0</b>	89.4
Administrative expenses		<b>(113.4)</b>	(136.3)
Other operating income		<b>17.7</b>	46.0
<b>Operating loss</b>	<b>3</b>	<b>(15.7)</b>	(0.9)
Loss on disposal of subsidiaries	6	<b>(7.8)</b>	(0.8)
(Loss)/ profit on sale of fixed assets		<b>(0.1)</b>	1.8
Impairment reversal on investments	6	-	36.4
Interest receivable and similar income	7	<b>13.7</b>	40.4
Interest payable and similar charges	8	<b>(18.8)</b>	(35.9)
<b>(Loss)/ profit on ordinary activities before taxation</b>		<b>(28.7)</b>	41.0
Tax on (loss)/ profit on ordinary activities	9	<b>48.3</b>	24.2
<b>Profit for the financial year</b>		<b>19.6</b>	65.2

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

The 2011 profit for the financial year has been restated to reflect a change in the recognition of tax on pension schemes

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 DECEMBER 2012**

	<i>Note</i>	<b>2012 £m</b>	2011 £m (restated)
<b>Profit for the financial year</b>		<b>19.6</b>	65.2
Actuarial gain/(loss) net of deferred tax on defined pension benefits	23	<b>52.2</b>	(29.9)
<b>Total recognised gain relating to the year</b>		<b>71.8</b>	35.3

The actuarial gain/(loss) net of tax on defined benefit pensions includes a deferred tax (charge)/credit of (£20.2m) (2011: £4.4m) and a current tax credit of £1.9m (2011: £1.7m)

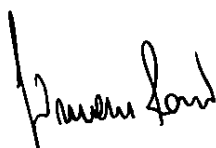
The 2011 actuarial loss net of deferred tax has been restated to reflect a change in the recognition of tax on pension schemes



**BALANCE SHEET  
AT 31 DECEMBER 2012**

	Note	2012 £m	2011 £m
<b>Fixed assets</b>			
Intangible fixed assets	11	171 7	122 7
Tangible fixed assets	12	61 5	59 0
Investments in subsidiary undertakings	13	1,090 0	1,081 2
<b>Total fixed assets</b>		<b>1,323 2</b>	<b>1,262 9</b>
<b>Current assets</b>			
Stock	14	177 4	159 2
Debtors amounts falling due within one year	15	5,464.0	2,699 5
Cash at bank and in hand		952.6	1,071 4
<b>Total current assets</b>		<b>6,594.0</b>	<b>3,930 1</b>
Creditors amounts falling due within one year	17	(4,543 8)	(1,261 4)
<b>Net current assets</b>		<b>2,050 2</b>	<b>2,668 7</b>
<b>Total assets less current liabilities</b>		<b>3,373.4</b>	<b>3,931 6</b>
Debtors amounts falling due after more than one year	16	12 7	11 1
Creditors amounts falling due after one year	18	-	(632 0)
Provision for liabilities and charges	20	(244 1)	(187 9)
<b>Net assets excluding pension liabilities</b>		<b>3,142.0</b>	<b>3,122 8</b>
Pension liabilities	24	(27.1)	(79 7)
<b>Net assets</b>		<b>3,114.9</b>	<b>3,043 1</b>
<b>Capital and reserves</b>			
Called up share capital	21	1,296 6	1,296 6
Share premium	22	13 9	13 9
Capital reserve	22	1 9	1 9
Redemption reserve	22	11 0	11 0
Profit and loss account	22	1,791 5	1,719 7
<b>Shareholder's funds</b>		<b>3,114.9</b>	<b>3,043 1</b>

The financial statements of EDF Energy plc, registered number 2366852 on pages 7 to 28 were approved by the Board of Directors on 27 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 the preceding year.

#### Basis of preparation

These financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards until 2010. In previous years, the Company prepared consolidated and company only financial statements under International Financial Reporting Standards because it had debt instruments which were listed on a regulated exchange. The listing of the debt has changed to a non-regulated exchange which allowed the Company to use the exemption not to prepare consolidated financial statements. Accordingly, the Company has changed its basis of preparation of its company only financial statements to UK General Accepted Accounting Practices ("UK GAAP") from 1 January 2011.

#### Going concern

After making enquiries and reviewing cash flow forecasts and available facilities for at least the next 12 months, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. This judgement has been formed taking into account the principal risks and uncertainties that the Company faces and which have been outlined in more detail elsewhere in the Directors' report. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements.

#### 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 EDF Energy Holdings Limited, whose consolidated accounts include a cash flow statement and will be publicly available.

#### Consolidation

The Company is exempt from preparing consolidated accounts as it is a wholly-owned subsidiary of EDF Energy Holdings Limited, which prepares consolidated accounts which include the results of the Company and will be publicly available.

#### EU Emissions trading scheme and renewable obligations certificates

The Company recognises its free emissions allowances received under the National Allocation Plan at zero cost. Purchased emissions allowances are initially recognised at cost (purchase price) within intangible assets. A liability is recognised when the level of emissions exceeds the level of allowances granted. The liability is measured at the cost of purchased allowances up to the level of purchased allowances held, and then at the market price of allowances ruling at the balance sheet date. Movements are recognised within operating profit.

The Company is obliged to sell a specific ratio of electricity sales volume to its customers from renewable sources. This is achieved via generation from renewable sources or through the purchase of Renewable Obligation Certificates ("ROCs"). Any purchased certificates are recognised at cost and included within intangible assets. Any ROCs obtained directly through renewable generation are carried at zero cost but reduces the Group's outstanding obligations to supply certificates. The Company recognises a provision for its obligation to supply certificates, based on the energy it supplies to customers. The intangible assets are surrendered, and the provision is released at the end of the compliance period reflecting the consumption of economic benefit. As a result, no amortisation is recorded during the period.

#### Restatement of 2011 financial statements

The revenue comparatives have been adjusted to be disclosed on the same basis as the current year figures. The prior year profit and loss account reflects the reclassification from turnover to other operating income of the rental income and transitional service agreement income for the provision of services to UK Power Networks.

## NOTES TO THE FINANCIAL STATEMENTS continued

### 1. Accounting policies continued

#### Intangible fixed assets

Intangible fixed assets are stated at cost, net of depreciation and provision for impairment. The carrying values of intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### Tangible fixed assets

Fixed assets comprise assets acquired or constructed by the Company. Expenditure of a capital nature incurred to improve operational performance or to improve safety in order to meet increased regulatory standards is also capitalised. Other expenditure including that incurred on preliminary studies and on the initiation of new technologies not yet adopted, is charged to the profit and loss account as incurred.

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, at rates calculated to write off the cost of acquisition of each asset, net of its residual value, evenly over its expected useful life, as follows:

Information technology	–	Three to ten years
Tools and equipment	–	Five years
Meters	–	Twenty years
Fixtures and equipment	–	Four to five years
Motor vehicles	–	Five years

No depreciation is charged on assets in the course of construction until the asset is brought into use.

#### Stocks

Stocks are valued at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition. The cost of raw materials, consumables and goods for resale is calculated using the weighted average cost basis. Net realisable value represents the estimated selling price less any further costs expected to be incurred in completion and disposal.

#### Investments

Fixed asset investments are shown at cost less any provision for impairment. Current asset investments are stated at the lower of cost and net realisable value.

#### Leasing and hire purchase commitments

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the lease term, even if payments are not made on such a basis.

#### Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

## NOTES TO THE FINANCIAL STATEMENTS continued

### 1 Accounting policies continued

#### 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, there is a commitment to dispose of the replacement assets with no likely subsequent rollover or available capital losses,
- provision is made for gains on re-valued fixed assets only where there is a commitment to dispose of the re-valued assets and the attributable gain can neither be rolled over nor 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 on an undiscounted basis

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

#### Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate

#### Finance costs

Finance costs of debt are recognised in the profit and loss account over the term of such instruments, at a constant rate on the carrying amount

#### Debt

Debt is initially stated at the amount of the net proceeds after deduction of issue costs. The carrying amount is increased by the finance cost in respect of the accounting period and reduced by payments made in the period

## NOTES TO THE FINANCIAL STATEMENTS continued

### 1. Accounting policies continued

#### **Pensions**

The Company has obligations under two funded defined benefit pension arrangements as part of the EDF Energy plc group, and the Company accounts for these schemes in accordance with FRS 17 'Retirement Benefits', ("FRS 17")

The amounts charged to the profit and loss account are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately the costs are recognised over the period until vesting occurs. The interest cost and the expected return on the assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

The defined benefit schemes are funded, with the assets of the scheme held separately from those of the Company, in separate trustee-administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond or equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

#### **Derivatives and other financial instruments**

The Company has borrowings and operating commitments denominated in foreign currencies and uses financial instruments to manage the financial risks arising from these commitments. The main risks arising from the Company's activities are interest rate risk, foreign currency risk and margin risk.

#### ***Interest rate risk***

The Company's exposure to interest rate fluctuations on its borrowings is managed by using fixed rate debt instruments and derivative financial instruments.

Amounts payable or receivable in respect of swaps are recognised as adjustments to interest expense over the period of the contract. Where interest rate swaps are used, they are not revalued to fair value or shown on the Company balance sheet at the year-end. If the debt instrument being hedged by the interest rate swaps were to be extinguished, any gain or loss attributable to the swaps would be recognised in the period of the transaction. If the interest rate swaps were to be sold or terminated, any gain or loss would be deferred and amortised over the remaining life of the debt instrument being hedged by the interest rate swaps.

#### ***Foreign currency risk***

The Company's exposure to foreign currency risk is on the service of interest and capital on euro-denominated debt, and to purchase of coal and carbon certificates in foreign currencies. The Group's policy is to hedge new currency exposures as they arise. A cross-currency interest rate swap (currency swaps) is used to hedge the exposure on debt service payments (interest & principal) for foreign currency denominated debt, while forward contracts are used to hedge foreign currency denominated operating expenses.

The foreign exchange rates under such contracts are used when recording the hedged item in the balance sheet. As a result, gains and losses are offset against the foreign exchange gains and losses on the related financial assets and liabilities.

#### ***Credit risk***

The Company's credit risk is primarily attributable to its trade receivables. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. Risk of loss is monitored through establishment of approved counterparties, maximum counterparty limits and minimum credit ratings.

## NOTES TO THE FINANCIAL STATEMENTS continued

### 1. Accounting policies continued

#### *Margin risk*

The Company purchases gas and electricity on behalf of other companies within the Group and recharges the costs to EDF Energy Customers plc. The Company makes a fixed margin per month, but margin risk arises as the margin percentage will fluctuate in line with price changes. Risk management is monitored for the whole of EDF Energy, through sensitivity analysis within the Group risks mandate.

### 2 Turnover

Turnover, which is stated net of value added tax, arises entirely in the United Kingdom and is attributable to the sale of power, gas and coal to other subsidiary companies, and recharges to group companies for the provision of support services including property and IT.

### 3 Operating loss

	2012 £m	2011 £m
This is stated after charging		
Depreciation of tangible assets	17.6	19.4
Amortisation of intangible assets	8.3	7.9
Operating lease rentals - properties	16.0	15.4
Research and development	3.6	-

In 2012 an amount of £30,470 (2011: £30,470) was paid to Deloitte LLP for audit services. In 2012, amounts payable to Deloitte LLP by the Company in respect of other assurance services was £0.6m (2011: £0.1m).

### 4 Directors' emoluments

The Directors of the Company are paid by the Company for services provided to all companies within the Group and have been set out below. Total emoluments paid are also included within the consolidated financial statements of EDF Energy Holdings Limited, an intermediary holding company. No Director (2011: none) held any interests in the shares or debentures of the Company or the Group required to be disclosed under the Companies Act 2006.

	2012 £m	2011 £m
Emoluments	2.1	2.5

	2012 Number	2011 Number
Members of defined benefit pension scheme	1	1

	2012 £m	2011 £m
Emoluments payable to the highest paid Director were as follows		
Aggregate emoluments	1.4	1.6

The aggregate emoluments payable to the highest paid Director include £0.4m (2011: £0.4m) of expatriate related costs incurred by the Company.

**NOTES TO THE FINANCIAL STATEMENTS continued**

**5. Staff costs**

	<b>2012</b>	2011
	<b>£m</b>	£m
Wages and salaries	<b>68 8</b>	98 0
Social security costs	<b>12 9</b>	11 2
Pension costs	<b>19 0</b>	22 6
Severance	<b>-</b>	1 1
Release of provision	<b>(5 4)</b>	-
	<b>95 3</b>	132 9

The monthly average number of employees, including Directors, during the year was as follows

	<b>2012</b>	2011
	<b>Number</b>	Number
Corporate and Steering Functions	<b>1,065</b>	1,215
Energy Sourcing and Customer Supply	<b>298</b>	385
Nuclear	<b>20</b>	22

**6. Exceptional items reported after operating loss**

The loss on disposal of subsidiaries of £7 8m in 2012 relates to the additional costs incurred on the disposal of Networks which was sold in October 2010

The loss on disposal of subsidiaries of £0 8m in 2011 related to the sale of EDF Energy Insurance Limited, book value of £3 6m which was sold in December 2011 for consideration of £2 8m

The recoverability of the loan from EDF Energy (West Burton) Power Ltd was revisited in 2011 following an impairment on the coal fired power stations owned by subsidiary undertakings in the previous year, leading to a reversal of the impairment loss of £36 4m in 2011

**7 Interest receivable and similar income**

	<b>2012</b>	2011
	<b>£m</b>	£m
Dividend income	<b>-</b>	3 2
Interest on bank deposits	<b>5 2</b>	24 3
Interest on loans to other Group companies	<b>8 5</b>	6 3
Foreign exchange gains	<b>-</b>	6 6
	<b>13 7</b>	40 4

**NOTES TO THE FINANCIAL STATEMENTS continued**

**8 Interest payable and similar charges**

	2012 £m	2011 £m
Net payable on pension scheme	3.3	3.1
Interest on bonds	10.5	31.4
Foreign exchange loss	4.6	-
Other interest payable	0.3	1.2
Unwinding of discount on provision	0.1	0.2
	<b>18.8</b>	<b>35.9</b>

**9 Tax on (loss)/ profit on ordinary activities**

(a) Analysis of tax charge in the year

**UK current tax**

	2012 £m	2011 £m
UK corporation tax charge on (loss)/ profit for the year	-	3.8
Adjustment in respect of previous periods	(45.0)	(25.4)
Total current tax credit (note 9(b))	<b>(45.0)</b>	<b>(21.6)</b>

**UK deferred tax**

Origination and reversal of timing differences	(2.1)	(3.4)
Adjustment in respect of previous periods	(2.1)	-
Effect of decreased tax rate	0.9	0.8
Total deferred tax credit for the year	<b>(3.3)</b>	<b>(2.6)</b>
Total tax credit on profit on ordinary activities	<b>(48.3)</b>	<b>(24.2)</b>

The Finance Act 2012 announced a 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 substantively enacted on 17 July 2012 and has therefore been reflected 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 impact of this would be to reduce the deferred tax asset shown against the pension liability at 31 December 2012 by £0.7m with a corresponding deferred tax charge to reserves, and to reduce the deferred tax asset at 31 December 2012 by £1.1m with a corresponding deferred tax charge to the profit and loss account.

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%. The impact of this would be to further reduce the deferred tax asset shown against the pension liability at 31 December 2012 by £0.4m with a corresponding deferred tax charge to reserves, and to reduce the deferred tax asset at 31 December 2012 by £0.6m with a corresponding deferred tax charge to the profit and loss account.



**NOTES TO THE FINANCIAL STATEMENTS continued**

**9 Tax on (loss)/ profit on ordinary activities continued**

(b) Factors affecting tax credit for the year

The tax assessed for the period is lower (2011 lower) than the standard rate of corporation tax in the UK

The differences are explained below

	<b>2012</b>	2011
	<b>£m</b>	£m
<b>(Loss)/profit on ordinary activities before tax</b>	<b>(28 7)</b>	41 0
Tax on profit on ordinary activities at standard UK rate of corporation tax of 24.5% (2011 26.5%)	<b>(7 0)</b>	10 9
Effect of		
Capital allowances in excess of depreciation	<b>1 6</b>	1 4
Movement in pension liability	<b>1 8</b>	2 0
Provision for intercompany debt	-	(9 6)
Other permanent differences	<b>4 7</b>	(0 9)
Adjustment in respect of previous periods	<b>(45 0)</b>	(25 4)
Other timing differences	<b>(1 1)</b>	-
<b>Current tax credit for the year</b>	<b>(45 0)</b>	(21 6)

**10 Dividends on equity shares**

	<b>2012</b>	2011
	<b>£m</b>	£m
Amounts recognised as distributions to equity holders in the period		
Interim dividend paid	-	80 0
	-	80 0

The Company paid no dividends in 2012 (2011 3.60p per share)

NOTES TO THE FINANCIAL STATEMENTS continued

11 Intangible fixed assets

	EU Emissions trading certificates £m	Renewable obligations certificates £m	IT software £m	Total £m
<b>Cost</b>				
At 1 January 2012	81.3	22.1	63.5	166.9
Additions	114.6	44.2	-	158.8
Transfers	-	-	1.9	1.9
Disposals	(81.3)	(22.1)	(0.1)	(103.5)
<b>At 31 December 2012</b>	<b>114.6</b>	<b>44.2</b>	<b>65.3</b>	<b>224.1</b>
<b>Amortisation</b>				
At 1 January 2012	-	-	(44.2)	(44.2)
Charge for the year	-	-	(8.3)	(8.3)
Disposals	-	-	0.1	0.1
<b>At 31 December 2012</b>	<b>-</b>	<b>-</b>	<b>(52.4)</b>	<b>(52.4)</b>
<b>Carrying amount</b>				
<b>At 31 December 2012</b>	<b>114.6</b>	<b>44.2</b>	<b>12.9</b>	<b>171.7</b>
At 31 December 2011	81.3	22.1	19.3	122.7

NOTES TO THE FINANCIAL STATEMENTS continued

12. Tangible fixed assets

	Land and buildings	Equipment and fittings	Assets in the course of construction	Total
	£m	£m	£m	£m
<b>Cost</b>				
At 1 January 2012	16.8	142.3	16.8	175.9
Additions	-	-	25.8	25.8
Transfers	0.2	6.8	(8.9)	(1.9)
Disposals	-	(1.1)	(3.4)	(4.5)
<b>At 31 December 2012</b>	<b>17.0</b>	<b>148.0</b>	<b>30.3</b>	<b>195.3</b>
<b>Accumulated depreciation</b>				
At 1 January 2012	(5.4)	(111.5)	-	(116.9)
Charge for the year	(0.9)	(16.7)	-	(17.6)
Disposals	-	0.7	-	0.7
<b>At 31 December 2012</b>	<b>(6.3)</b>	<b>(127.5)</b>	<b>-</b>	<b>(133.8)</b>
<b>Carrying amount</b>				
<b>At 31 December 2012</b>	<b>10.7</b>	<b>20.5</b>	<b>30.3</b>	<b>61.5</b>
At 31 December 2011	11.4	30.8	16.8	59.0

NOTES TO THE FINANCIAL STATEMENTS continued

13. Investments in subsidiary undertakings

	Shares £m	Loans £m	Total £m
At 1 January 2012	61 2	1,020 0	1,081 2
Increase in loans	-	9 3	9 3
Repayments of loans	-	(0 5)	(0 5)
<b>At 31 December 2012</b>	<b>61 2</b>	<b>1,028 8</b>	<b>1,090 0</b>

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

Name of subsidiary	Proportion of ownership interest %	Proportion of voting power held %	Principal activity
British Energy Direct Limited *	100%	100%	Sale of electricity
Cheshire Cavity Storage Group Limited	100%	100%	Holding company
Cheshire Cavity Storage 1 Limited *	100%	100%	Provision of gas storage facilities
Deletpicnic Limited	100%	100%	Holding company
EDF Energy 1 Limited *	100%	100%	Marketing and supply of electricity and gas
EDF Energy (Cottam Power) Limited *	100%	100%	Provision and supply of electricity generation
EDF Energy Customers plc *	100%	100%	Electricity retailing
EDF Energy (Dormant Holdings) Limited *	100%	100%	Holding company
EDF Energy (Energy Branch) plc	100%	100%	Investment in electricity generation
EDF Energy Fleet Services Limited	100%	100%	Provision and supply of transport services
EDF Energy Investments *	100%	100%	Holding company
EDF Energy (London Heat & Power) Limited *	100%	100%	Generation and supply of electricity and heat
EDF Energy (Metro Holdings) Limited	100%	100%	Investment company
EDF Energy (Projects) Limited *	100%	100%	Investment company
51° Limited *	100%	100%	Investment company
Associated Electricity Supplies Limited *	100%	100%	Investment company
EDF Energy Customer Field Services (Metering) Limited *	100%	100%	Investment company
EDF Energy SB Power Systems (London) Limited *	100%	100%	Investment company
EDF Energy (Sutton Bridge Holdings) Limited *	100%	100%	Investment in power generation company
EDF Energy (Sutton Bridge Power ) *	100%	100%	Provision and supply of electricity generation
EDF Energy (West Burton Power) Limited*	100%	100%	Power generation
High Hedley Hope Wind Limited*	100%	100%	Renewable power generation
Kirkheaton Wind Limited*	75%	75%	Renewable power generation
SEEBOARD Energy Gas Limited*	100%	100%	Gas supply
SEEBOARD Energy Limited*	100%	100%	Energy supply
Sutton Bridge Financing Limited* (Cayman Islands)	100%	100%	Financial activities
Sutton Bridge Investors *	100%	100%	Investment in power generation company

**NOTES TO THE FINANCIAL STATEMENTS continued**

**13 Investments in subsidiary undertakings continued**

Sutton Bridge Power Fund*	100%	100%	Investment company
The Barkantine Heat & Power Company Limited *	100%	100%	Generation and supply of electricity and heat

\* Held indirectly

**14 Stocks**

	2012 £m	2011 £m
Raw materials and consumables	162.9	143.2
Levy exemptions certificate	14.5	16.0
	<b>177.4</b>	<b>159.2</b>

**15. Debtors amounts falling due within one year**

	2012 £m	2011 £m
Trade debtors	83.5	59.3
Provision for bad debts	(0.1)	-
Amounts owed by other Group companies	5,284.7	2,543.2
Other debtors	29.1	25.9
VAT	66.8	71.1
	<b>5,464.0</b>	<b>2,699.5</b>

**NOTES TO THE FINANCIAL STATEMENTS continued**

**16 Debtors amounts falling due after more than one year**

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

	At 1 January 2012	Profit and loss £m	Statement of total recognised gains and losses £m	At 31 December 2012
	£m			£m
Deferred tax asset	11.1	1.6	-	12.7
Deferred tax shown against pension liability (note 22)	26.6	1.7	(20.2)	8.1
Deferred tax asset	37.7	3.3	(20.2)	20.8

Deferred taxation provided in the financial statements is as follows

	2012 £m	2011 £m
Accelerated capital allowances	8.2	4.5
Short term timing differences	4.5	6.6
Deferred tax asset	12.7	11.1

**17. Creditors amounts falling due within one year**

	2012 £m	2011 £m
Trade creditors	419.4	297.2
Other payables	114.7	117.0
Bank overdrafts	2,393.1	-
Amount owed to intermediate parent companies	315.3	315.3
Amounts owed to other Group companies	458.1	458.8
Corporation tax (Group payments)	211.2	73.1
€800m Eurobond due June 2013 (note 18)	632.0	-
<b>Total creditors falling due within one year</b>	<b>4,543.8</b>	<b>1,261.4</b>

Amounts owed to other Group companies bears interest based on the LIBOR rate and is repayable on demand

The Company operates a collective net overdraft facility arrangement which permits the offset of cash balances with overdrafts in subsidiary companies. In current year the element of the Company overdraft of £2,393.1m which relates to the collective net overdraft balance is shown above. The element of the Company cash balance £1,104m which related to overdrafts in subsidiary companies has been presented as an amount owed by other Group companies in the prior year to reflect the nature of this agreement.

NOTES TO THE FINANCIAL STATEMENTS continued

18. Creditors amounts falling after more than one year

	2012 £m	2011 £m
€800m Eurobond due June 2013	-	632 0
	-	632 0
<b>Total creditors falling due after more than one year</b>	<b>-</b>	<b>632 0</b>

In 2008 the Company entered into an €800m bond with another Company within the EDF S A group. This bond matures on 27 June 2013 and has interest payable at a floating rate of EURIBOR 6 months +0.400%. The principal has been swapped to sterling, and the interest rate has been swapped into a rate of LIBOR 6 months + 0.394%.

19 Derivatives and financial instruments

The discussion of the Group's objectives with regards to derivatives and other financial instruments is included within the Group's accounting policies in note 1.

Fair values of assets and liabilities

The fair value of financial instruments represents the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation. Where market values are not available, fair values have been calculated by discounting cashflows at prevailing rates at the year end. Significant differences can arise between the fair value and the carrying amount of financial instruments that are recognised at historical cost amounts.

	Fair value	
	2012 £m	2011 £m
Cross-currency swaps	16.9	44.1
Foreign exchange contracts	(17.7)	11.1
Commodity forward contracts	(81.8)	(148.8)

The cross-currency swaps relate to the Eurobond. The eurobond has been swapped into sterling and the interest rate has been swapped from a floating rate based on EURIBOR plus a margin, to LIBOR plus a margin.

The forward foreign exchange contracts fix the sterling price to be paid relating to foreign currency purchases, principally carbon and coal purchases.

The commodity forward contracts fix the price of purchases of commodities including power, carbon and coal.

**NOTES TO THE FINANCIAL STATEMENTS continued**

**20 Provisions for liabilities and charges**

	At 1 January 2012	Utilised in the year	Unwinding of the discount in the year	Released in the year	Arising during the year	At 31 December 2012
	£m	£m	£m	£m	£m	£m
Onerous contracts	3 8	(0 4)	0 1	(0 4)	-	3 1
Obligations under EU emissions	3 6	(3 6)	-	-	-	-
Renewable obligation certificates	148 9	(148 9)	-	-	220 1	220 1
Restructuring costs	23 0	(4 7)	-	-	-	18 3
Insurance	1 2	(0 3)	-	-	0 7	1 6
Legal disputes	7 4	(6 4)	-	-	-	1 0
	187 9	(164 3)	0 1	(0 4)	220 8	244 1

The provisions for obligations under EU emissions represent the additional certificates required to cover the Group's carbon emissions in excess of the free allocation of certificates. It is expected that this provision will be utilised in 2013 because the Group is required to provide carbon certificates on an annual basis.

The provision for renewable obligations certificates represents the additional certificates required to cover the Group's obligations to supply its customers with certain amounts of electricity which have been generated from renewable energy sources. This provision will be utilised in 2013.

The legal disputes provision relates to costs expected to be paid out under a number of ongoing legal cases. Any uncertainties within the cases have been considered in the calculation of the provision.

The provision for onerous contracts includes provision for onerous leases and provision for other contracts which are anticipated to be onerous.

The restructuring provision covers the costs of severance related to the restructuring programme which was announced in 2009. It is expected to be utilised fully in 2013.

**21. Share capital**

	2012 Number	2011 Number	2012 £m	2011 £m
<b>Allotted, called up and fully paid</b>				
Ordinary shares of £0.5833 each	2,222,739,164	2,222,739,164	1,296.6	1,296.6

The Company has one class of ordinary share in issue which carries no right to fixed income.



**NOTES TO THE FINANCIAL STATEMENTS continued**

**22 Reconciliation of shareholder's funds**

	Share capital	Share premium	Capital reserve	Redemption reserve	Profit and loss account	Total shareholder's funds
	£m	£m	£m	£m	£m	£m
At 1 January 2011	1,296.6	13.9	1.9	11.0	1,764.4	3,087.8
Profit for the year (restated)	-	-	-	-	65.2	65.2
Actuarial loss net of deferred tax on defined benefits pension (restated)	-	-	-	-	(29.9)	(29.9)
Dividends paid	-	-	-	-	(80.0)	(80.0)
At 31 December 2011	1,296.6	13.9	1.9	11.0	1,719.7	3,043.1
Profit for the year	-	-	-	-	19.6	19.6
Actuarial gain net of deferred tax on defined benefits pension	-	-	-	-	52.2	52.2
<b>At 31 December 2012</b>	<b>1,296.6</b>	<b>13.9</b>	<b>1.9</b>	<b>11.0</b>	<b>1,791.5</b>	<b>3,114.9</b>

The capital reserve represented the costs incurred in providing favourable terms to employees in respect of shares in EDF SA as part of the initial public offering in 2005

The redemption reserve relates to the repurchase of its own shares by the company in 1994 and 1995, and their subsequent cancellation

**23 Other financial commitments**

The Company had given annual commitments under non-cancellable operating leases as at 31 December as set out below

	2012 £m	2011 £m
Operating leases which expire		
Within one year	0.7	1.0
After one year but not more than five years	8.4	9.8
More than five years	5.6	7.2
	<b>14.7</b>	<b>18.0</b>

The Company had received annual commitments under non-cancellable operating leases as at 31 December as set out below

	2012 £m	2011 £m
Operating leases which expire		
Within one year	0.2	-
After one year but not more than five years	3.1	3.5
After more than five years	0.3	-
	<b>3.6</b>	<b>3.5</b>

**NOTES TO THE FINANCIAL STATEMENTS continued**

**24 Pension commitments**

At the start of 2012, EDF Energy plc had two defined benefit pension schemes, EDF Energy Pension Scheme (EEPS) and the EDF Energy Generation Supply Group of the Electricity Supply Pension Scheme (EEGS). Both of these schemes are defined benefit schemes. The Group closed its EEGS pension arrangements with effect from 29 February 2004. A new scheme, the EDF Energy Pension Scheme, a final salary arrangement, replaced these for future service from 1 March 2004 and remains open for new employees.

The Group allocates the EEPS and EEGS between entities based on which entity legally employed each employee at date of allocation, or the date that the employee ceased to be an employee of the Group. The actuaries provided analysis of the share of deficit of each employee which was used to allocate the assets and liabilities of the scheme to each company.

The latest full actuarial valuations of the EDF Energy Group of the EEGS and EEPS were carried out by Hewitt Bacon & Woodrow, consulting actuaries, as at 31 March 2010 and were agreed on 29 March 2011 and 21 March 2011 respectively. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method. In 2009 and 2010, the regular ongoing employer's contribution was assessed as 10% of pensionable pay. The regular ongoing employer's contribution was amended to 11.4% for EEPS and 25.6% for EEGS from 1 April 2011 following the agreement of the triennial valuation.

The principal financial assumptions used to calculate EEGS liabilities under FRS 17 were

	<b>31 December 2012 % p a</b>	<b>31 December 2011 % p a</b>
Discount rate		
- EEGS	4.6	4.7
- EEPS	4.8	4.7
Inflation assumption		
- EEGS	3.1	3.3
- EEPS	3.2	3.3
Rate of increase in salaries		
- EEGS	3.1	4.7
- EEPS	3.2	4.8
Rate of increase of pensions increases		
- full retail price indexation ("RPI")	3.2	3.6
- RPI up to 5% (EEPS – service to 31 March 2006)	3.1	3.2
- RPI up to 2.5% (EEPS – service from 31 March 2006)	2.1	2.1

## NOTES TO THE FINANCIAL STATEMENTS continued

### 24. Pension commitments continued

The table below shows details of assumptions around mortality rates used to calculate the FRS17 EEGS and EEPS liabilities

	31 December 2012 years	31 December 2011 years
<b>EEGS</b>		
Life expectancy for current male pensioner aged 60	28	28
Life expectancy for current female pensioner aged 60	30	30
Life expectancy for future male pensioner currently aged 40 from age 60	30	30
Life expectancy for future female pensioner currently aged 40 from age 60	32	32
<b>EEPS</b>		
Life expectancy for current male pensioner aged 60	22	22
Life expectancy for current female pensioner aged 60	24	24
Life expectancy for future male pensioner currently aged 45 from age 65	24	24
Life expectancy for future female pensioner currently aged 45 from age 65	27	27

These assumptions are governed by FRS 17 and do not reflect the assumptions used by the independent actuary in the triennial valuation as at 31 March 2010, which determined the Company's contribution rate for future years

Pension disclosures relating to the Company are as follows

	EEGS 2012 £m	EEPS 2012 £m	Total 2012 £m	Total 2011 £m
Present value of defined benefit obligations	(210 4)	(129.0)	(339 4)	(365 7)
Fair value of scheme assets	189 6	114 6	304 2	259 4
<b>Deficit in scheme</b>	<b>(20 8)</b>	<b>(14 4)</b>	<b>(35 2)</b>	<b>(106 3)</b>
Related deferred tax asset	4 8	3 3	8 1	26 6
<b>Liability recognised in the balance sheet</b>	<b>(16 0)</b>	<b>(11 1)</b>	<b>(27 1)</b>	<b>(79 7)</b>

This amount is presented in pension liabilities

Amounts recognised in expenses in respect of these defined benefit schemes are as follows

	EEGS 2012 £m	EEPS 2012 £m	Total 2012 £m	Total 2011 £m
Current service cost	6 1	12 7	18.8	18 9
Interest cost	10.4	6 5	16 9	16 4
Expected return on scheme assets	(9 3)	(4 3)	(13 6)	(13 3)
<b>Total operating cost</b>	<b>7.2</b>	<b>14.9</b>	<b>22.1</b>	<b>22 0</b>

**NOTES TO THE FINANCIAL STATEMENTS continued**

**24. Pension commitments continued**

Of the charge for the year £18.8m (2011: £18.9m) has been included in personnel costs, net of recharges, and there was a net £3.3m interest charge (2011: £3.1m) which has been included in interest

Movements in the present value of defined obligations in the current period were as follows

	EEGS 2012 £m	EEPS 2012 £m	Total 2012 £m	Total 2011 £m
At 1 January	223.5	142.2	365.7	299.9
Service cost	6.1	12.7	18.8	18.9
Interest cost	10.4	6.5	16.9	16.4
Actuarial (gains)/losses	(24.0)	(34.1)	(58.1)	26.6
Benefits paid	(6.3)	(1.7)	(8.0)	(2.8)
Contributions by employees	0.7	3.4	4.1	6.7
At 31 December	210.4	129.0	339.4	365.7

Movements in the present value of fair value of scheme assets in the current period were as follows

	EEGS 2012 £m	EEPS 2012 £m	Total 2012 £m	Total 2011 £m
At 1 January	167.5	91.9	259.4	231.2
Expected return on scheme assets	9.3	4.3	13.6	13.3
Actuarial gains/(losses)	7.0	5.4	12.4	(9.4)
Contributions by employer	5.8	9.0	14.8	13.9
Benefits paid	(6.3)	(1.7)	(8.0)	(2.8)
Contributions by employees	0.7	3.4	4.1	6.7
Deficit payments	5.6	2.3	7.9	6.5
At 31 December	189.6	114.6	304.2	259.4

The analysis of the scheme assets and the expected rate of return at the balance sheet date are as follows

	Expected return		Fair value of assets			Total
	2012 %	2011 %	EEGS 2012 £m	EEPS 2012 £m	Total 2012 £m	2011 £m
Gilts – fixed	2.7	3.0	6.8	-	6.8	38.3
- index linked	2.6	2.9	39.4	-	39.4	4.7
Equities	7.9	7.9	75.5	31.4	106.9	90.6
Property	6.9	6.9	6.8	10.5	17.3	17.6
Corporate bonds	4.1	4.7	43.6	31.7	75.3	64.1
Cash	1.0	1.8	17.5	41.0	58.5	44.1
			189.6	114.6	304.2	259.4

## NOTES TO THE FINANCIAL STATEMENTS continued

### 24 Pension commitments continued

The history of experience adjustments is as follows

	EEGS 2012 £m	EEPS 2012 £m	Total 2012 £m	Total 2011 £m	Total 2010 £m	Total 2009 £m	Total 2008 £m
Present value of defined benefit obligations	(210.4)	(129.0)	(339.4)	(365.7)	(299.9)	(256.9)	(159.7)
Fair value of scheme assets	189.6	114.6	304.2	259.4	231.2	188.4	151.4
<b>Liability recognised in the balance sheet</b>	<b>(20.8)</b>	<b>(14.4)</b>	<b>(35.2)</b>	<b>(106.3)</b>	<b>(68.7)</b>	<b>(68.5)</b>	<b>(8.3)</b>
Experience adjustments on scheme liabilities	3.2	-	3.2	-	5.9	1.4	(4.1)
Percentage of scheme liabilities	1.5%	-	1.0%	-	2.0%	0.5%	2.6%
Experience adjustments on scheme assets	7.0	5.3	12.3	(9.2)	6.4	16.1	42.0
Percentage of scheme assets	3.7%	4.6%	4.0%	3.6%	2.8%	8.6%	27.7%

The estimated amounts of contributions expected to be paid to the scheme during the current financial year is £20.2m (2011 £19.7m) including deficit payments of £8.0m (2011 £8.0m) and employer contributions of £12.2m (2011 £11.7m)

### 25 Contingent liabilities

The Group has given letters of credit and guarantees to the value of £85m (2011 £71m) in relation to credit support for Energy trading and use of distribution systems, performance of contractual obligations and HMRC obligations

### 26. Related parties

In accordance with FRS 8 'Related party 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

### 27 Parent undertaking and controlling party

EDF Energy Group Holdings plc holds a 100% interest in EDF Energy plc and is considered to be the immediate parent company. EDF Energy Holdings Limited heads the smallest group for which consolidated accounts are prepared which include the results of the Company. Copies of the Company's consolidated financial statements may be obtained from 40 Grosvenor Place, Victoria, London SW1X 7EN

At 31 December 2012, Électricité 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 Électricité de France SA, 22-30 Avenue de Wagram, 75382, Paris, Cedex 08, France