EDF ENERGY (ENERGY BRANCH) PLC

Registered Number 2449611

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2013

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Directors

Stuart Crooks
Robert Guyler
Gwen Parry-Jones

Company Secretary

Joe Souto

Auditor

Deloitte LLP
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London
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Registered Office

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London
SW1X 7EN

STRATEGIC REPORT

Principal activities

The Company's principal activity during the year continued to be that of a holding company for investments in projects involving the generation of electricity It will continue with this activity for the foreseeable future

Results

The profit for the year, before taxation, amounted to £4,043k (2012 loss of £33,662k) and after taxation, amounted to a profit of £3,264k (2012 £33,614k loss)

On 27 March 2013, the Company completed the sale of Sutton Bridge to a Macquarie-led group of investors This followed completion of certain conditions precedent subsequent to the signing of the sale and purchase agreement in December 2012 An impairment was taken against the investment in Sutton Bridge in 2012 and hence a £101k loss was recorded on sale, which was a working capital true up to the price paid

On 6 December 2013, the Company sold 80% of its stake in Fallago Rig Windfarm Limited, reducing its ownership from 50% to 10%, and recognised a profit of £40 5m

EDF Energy Holdings Limited (the "Group") manages the Company's operations on a group 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 Group, which includes the Company, is discussed in the EDF Energy Holdings Limited annual report which does not form part of this report

Risk management

The main financial risks faced by the Company through its normal business activities are market risk, liquidity risk, credit risk and interest rate risk These risks and the Company's approach to dealing with them are described below

Liquidity risk is the risk that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due The Company's exposure to liquidity risk is reduced by its borrowing facilities in place provided by its shareholder The Company's exposure to interest rate fluctuations on its borrowings and deposits is managed by using fixed rate debt instruments and index-linked rate debt instruments

The Company's credit risk is primarily attributable to its debtors Credit risk is mitigated by the nature of the debtor balances owed, with these primarily due from other Group companies who are able to repay these if required

The future prospects of the Company are dependent on the performance of its investment in subsidiaries The investments have been reviewed and the carrying value is considered to be recoverable based on forecast performance

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, sexuality, marital status, disability, race, colour, nationality or ethnic origin in accordance with the appropriate legislation and Government guidelines 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

Employees

The health and safety of all our employees, contractors, agency staff and the public is a key risk given the nature of the Group's business To minimise this risk, the Group 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

STATEGIC REPORT continued

Going concern

The financial statements have been prepared under the going concern basis because EDF Energy plc, the intermediate parent company, has agreed to continue to support the Company financially and not to recall amounts advanced to the Company until the claims of all creditors have been met

By order of the Board

Robert Guyler
Director
27 June 2014

DIRECTORS' REPORT

The Directors present their annual report and financial statements for the year ended 31 December 2013

Dividends

No dividends were paid during the year (2012 £nil)

Directors

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

Martin Lawrence	(resigned 31 December 2013)
Ronan Lory	(resigned 31 December 2013)
Stuart Crooks	(appointed 1 January 2014)
Robert Guyler	(appointed 1 January 2014)
Gwen Parry-Jones	(appointed 20 May 2014)

None of the Directors had a service contract with the Company in the current or prior year They are all employed by associated companies within the EDF SA Group

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

Post balance sheet event

With effect from 1 January 2014, the Group disposed of half of its interest in High Hedley Hope Wind Ltd, Kirkheaton Windfarm Ltd, Lewis Wind Power Ltd and EDF Energy Round 3 Isle of Wight Limited to EDF EN UK Limited, another subsidiary of the EDF SA group As part of this transaction, the Group also purchased 50% in First Windfarm Holdings Ltd and Fenland Windfarms Ltd from EDF EN UK Ltd This resulted in a net cash payment to EDF EN UK Ltd of £5 4m The impact of this transaction is to ensure that the EDF SA stake in all UK windfarms is now shared between the Group and EDF EN UK Limited, a fellow subsidiary of EDF SA The impact of this transaction is neutral from the perspective of the ultimate parent company

Employee involvement

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting their employment and on the various factors affecting the performance of the Company and Group 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

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 they ought to have taken as a Director in order to make themselves 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

DIRECTORS' REPORT continued

Auditor

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

By order of the Board

Robert Guyler
Director
27 June 2014

DIRECTORS' RESPONSIBILITY 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 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 (ENERGY BRANCH) PLC

We have audited the financial statements of EDF Energy (Energy Branch) plc for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 22 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit 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 2013 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 Strategic Report and 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
27 June 2014

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 £000	2012 £000
Income from fixed asset investments	5	**9,754**	8,953
Profit on sale of investments	6	**40,372**	658
Impairment of investments	7	**-**	(42,564)
Provision for impairment of loan	7	**(50,549)**	-
Interest receivable and similar income	8	**7,019**	2,662
Interest payable and similar charges	9	**(2,553)**	(3,371)
Profit/(loss)on ordinary activities before taxation		**4,043**	(33,662)
Tax (charge)/credit on profit/(loss) on ordinary activities	10	**(779)**	48
Profit/(loss) for the financial year		**3,264**	(33,614)

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

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 £000	2012 £000
Profit/(loss) for the financial year		**3,264**	(33,614)
Actuarial (loss)/gain net of tax on defined pension benefits	20	**(3,519)**	14,777
Total recognised loss relating to the year		**(255)**	(18,837)

The actuarial loss/gain net of tax on defined benefit pensions includes a deferred tax charge of £225k (2012 £6,050k charge) and a current tax credit of £770k (2012 £809k)

BALANCE SHEET
AT 31 DECEMBER 2013

	Note	2013 £000	2012 £000
Fixed assets			
Investments in subsidiary undertakings	*11*	**6,639**	146,314
Investment in joint ventures	*12*	**105,470**	125,364
Investment in associates	*13*	**20,031**	10,103
Other investments	*14*	**16**	16
		132,156	281,797
Current assets			
Debtors: amounts falling due within one year	*15*	**7,229**	595
Debtors: amounts falling due after more than one year	*15*	**65,226**	107,723
Cash		**17,091**	-
		89,546	108,318
Creditors: amounts falling due within one year	*17*	**(199,445)**	(362,665)
Net current liabilities		**(109,899)**	(254,347)
Total assets less current liabilities		**22,257**	27,450
Creditors: amounts falling due after more than one year	*17*	**-**	(6,058)
Net assets excluding pension liabilities		**22,257**	21,392
Pension liabilities	*20*	**(10,756)**	(9,636)
Net assets		**11,501**	11,756
Capital and reserves			
Called up equity share capital	*18*	**3,000**	3,000
Capital reserves	*19*	**(43)**	(43)
Profit and loss account	*19*	**8,544**	8,799
Shareholder's funds		**11,501**	11,756

The financial statements of EDF Energy (Energy Branch) plc, registered number 2449611 on pages 8 to 24 were approved by the Board of Directors on 27 June 2014 and were signed on its behalf by

Robert Guyler
Director

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The principal accounting policies are set out below They have all been applied consistently throughout the year and the preceding year

Basis of preparation

These financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards

Cash flow statement

The Company is exempt from preparing a cash flow statement under the terms of FRS 1 'Cash flow statements (revised 1996)' as it is a member of a group, 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

Going concern

The financial statements have been prepared under the going concern concept because EDF Energy plc, the intermediate parent company, has agreed to continue to support the Company financially for at least 12 months from the date of signing these financial statements and not to recall amounts advanced to the Company until the claims of all creditors have been met

Investments

Fixed asset investments are shown at cost less any provision for impairment

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

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 Group, 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 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

2. Operating result

In 2013 an amount of £24,672 (2012 £24,000) was paid to Deloitte LLP for audit services This charge was borne by another Group company in both the current and prior year In 2013, amounts payable to Deloitte LLP by the Company in respect of non-audit services was £nil (2012 £nil)

3. Directors emoluments

None of the Directors had a service contract with the Company in the current or prior year They are all employed by associated companies within the group and no portion of their remuneration can be specifically attributed to their services to the Company

No Director (2012 none) held any interests in the shares or debentures of the Company or the Group required to be disclosed under the Companies Act 2006

NOTES TO THE FINANCIAL STATEMENTS continued

4. Staff costs

	2013 £000	2012 £000
Wages and salaries	**25,212**	23,423
Social security costs	**2,490**	2,123
Pension costs (note 20)	**5,908**	5,937
Recharged to other Group companies	**(33,610)**	(31,483)
	-	-

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

	2013 Number	2012 Number
Production	**500**	496

5. Income from fixed asset investments

	2013 £000	2012 £000
Dividends from subsidiaries	**-**	6,371
Dividends from joint ventures	**9,675**	2,530
Dividends from other investments	**79**	52
	9,754	8,953

6 Profit on sale of investments

	2013 £000	2012 £000
Profit on disposal of District Energy Ltd	**-**	23
Profit on disposal of Marine Current Turbine Ltd	**-**	635
Profit on disposal of Fallago Rig Windfarm Ltd	**40,473**	-
Loss on disposal of Sutton Bridge	**(101)**	-
	40,372	658

NOTES TO THE FINANCIAL STATEMENTS continued

7. Impairments

	2013 £000	2012 £000
Impairment of investment in Sutton Bridge Power companies	-	42,564
Impairment of loan to Sutton Bridge Financing Limited (note 15)	**50,549**	-

8. Interest receivable and similar income

	2013 £000	2012 £000
Interest receivable on loans to other Group companies	**2,678**	1,442
Interest receivable on loans to joint ventures	**3,341**	1,220
Recovery of loan to Marine Current Turbine Ltd	**1,000**	-
	7,019	2,662

During the year the Company received £1m from Marine Current Turbine Ltd in settlement of an outstanding loan A provision had previously been recognised against the loan and hence the cash receipt has been recognised as income during the year

9. Interest payable and similar charges

	2013 £000	2012 £000
Interest payable on loans from other Group companies	**1,671**	2,198
Unwinding of discount on deferred consideration	**444**	444
Net charge on pension scheme (note 20)	**438**	729
	2,553	3,371

NOTES TO THE FINANCIAL STATEMENTS continued

10. Tax on profit/(loss) on ordinary activities

(a) Analysis of tax credit in the year

	2013 £000	2012 £000
UK current tax		
UK corporation tax charge on profit/(loss) for the year	**995**	408
Adjustment in respect of prior year	**(180)**	(101)
Total current tax charge (note 10(b))	**815**	307
UK deferred tax		
Origination and reversal of timing differences	**(36)**	(355)
Total deferred tax credit for the year	**(36)**	(355)
Total tax charge / (credit) on profit on ordinary activities	**779**	(48)

Changes to the main rate of corporation tax were announced in The Finance Act 2013 These comprised a reduction in the main rate of corporation tax for the financial year beginning 1 April 2014 from 23% to 21% and a further reduction for the financial year beginning 1 April 2015 from 21% to 20% The Finance Act 2013 was substantively enacted on 3 July 2013 and has therefore been applied where appropriate in these financial statements

(b) Factors affecting tax charge/ (credit) for the year

The tax assessed for the period is lower (2012 lower) than the standard rate of corporation tax in the UK The differences are explained below

	2013 £000	2012 £000
Profit/(loss) on ordinary activities before tax	**4,043**	(33,662)
Tax on profit/(loss) on ordinary activities at standard UK rate of corporation tax of 23 25% (2012 24 5%)	**940**	(8,247)
Effect of		
Dividends received from UK companies	**(2,268)**	(2,193)
Impairment of investments	**23**	10,428
Profit on sale of investments	**(9,558)**	(161)
Provision against loan to subsidiaries	**11,753**	-
Other permanent differences	**64**	203
Movement in pension liability	**41**	378
Adjustment in respect of previous years	**(180)**	(101)
Current tax charge for the year	**815**	307

NOTES TO THE FINANCIAL STATEMENTS continued

11. Investments in subsidiary undertakings

	Shares £000
Cost	
At 1 January 2013	146,314
Disposal of investment in Sutton Bridge Power companies	(139,675)
At 31 December 2013	**6,639**

On 27 March 2013, the Company disposed of its investment in EDF Energy (Sutton Bridge Holdings) Limited for consideration of £139,574k resulting in a loss on disposal of £101k Prior to the disposal, EDF Energy (Sutton Bridge Holdings) Limited transferred its stake in Sutton Bridge Financing Limited to the Company at book value

The principal subsidiary undertakings at 31 December 2013, which are incorporated in the United Kingdom and are registered and operate in England and Wales (unless otherwise stated), are as follows

	Description of ordinary shares held	Percentage of ordinary shares held	Principal activity
Sutton Bridge Financing Limited (incorporated in Cayman Islands)*	Ordinary US$1 00	100%	Financing activities
EDF Energy (Cottam Power) Limited	Ordinary £1 00	100%	Power generation
EDF Energy (West Burton Power) Limited	Ordinary £1 00	100%	Power generation
The Barkantine Heat & Power Company Limited	Ordinary £1 00	100%	Generation and supply of electricity and heat
EDF Energy (London Heat & Power) Limited	Ordinary £1 00	100%	Generation and supply of electricity and heat
High Hedley Hope Wind Limited	Ordinary £1 00	100%	Renewable power generation
Kirkheaton Wind Limited	Ordinary £1 00	75%	Renewable power generation
EDF Energy Round 3 Isle of Wight Limited	Ordinary £1 00	100%	Renewable power generation

* Held indirectly

NOTES TO THE FINANCIAL STATEMENTS continued

12. Investment in joint ventures

	Shares £000
Cost	
At 1 January 2013	125,364
Partial disposal of Fallago Rig Windfarm Limited	(49,643)
Investment in Teesside Windfarm Limited	22,455
Investment in Green Rigg Windfarm Limited	2,034
Investment in Boundary Lane Windfarm Limited	1,173
Investment in Glass Moor II Windfarm Limited	2,192
Investment in Roade Windfarm Limited	617
Investment in Burnhead Moss Windfarm Limited	1,278
At 31 December 2013	**105,470**

Following the sale of 80% of the Company's investment in Fallago Rig Windfarm Limited in 2013, the remaining investment has been classified as an investment in associate in note 13

The joint ventures at 31 December 2013, which are incorporated in the United Kingdom and are registered and operates in England and Wales, is as follows

	Percentage of ordinary shares held	**Principal activity**
EDF Energy Renewables Limited	50 00%	Development of renewable power generation
Glass Moor II Windfarm Limited	50 00%	Operation of renewable power generation
Navitus Bay Development Limited	50 00%	Construction of renewable power generation
Lewis Wind Power Limited	50 00%	Operation of renewable power generation
Burnfoot Windfarm Limited	50 00%	Operation of renewable power generation
Fairfield Windfarm Limited	50 00%	Operation of renewable power generation
Bicker Fen Windfarm Limited	50 00%	Operation of renewable power generation
Royal Oak Windfarm Limited	50 00%	Construction of renewable power generation
Rusholme Windfarm Limited	50 00%	Operation of renewable power generation
Teesside Windfarm Limited	50 00%	Operation of renewable power generation
Longpark Windfarm Limited	50 00%	Operation of renewable power generation
Roade Windfarm Limited	50 00%	Construction of renewable power generation
Braemore Wood Windfarm Limited	50 00%	Operation of renewable power generation
Green Rigg Windfarm Limited	50 00%	Operation of renewable power generation
Boundary Lane Windfarm Limited	50 00%	Operation of renewable power generation
Walkway Windfarm Limited	50 00%	Operation of renewable power generation
Burnhead Moss Wind Farm Limited	50 00%	Operation of renewable power generation

NOTES TO THE FINANCIAL STATEMENTS continued

13 Investment in associates

	Shares £000
Cost	
At 1 January 2013	10,103
Partial disposal of Fallago Rig Windfarm Limited	9,928
At 31 December 2013	**20,031**

The associate at 31 December 2013, which is incorporated in the United Kingdom and is registered and operates in England and Wales, is as follows

	Percentage of ordinary shares held	Principal activity
Barking Power Limited	18 59%	Operation of power generation
Fallago Rig Windfarm Limited	10 0%	Operation of renewable power generation

14 Other investments

	Shares £000
Cost	
At 1 January 2013 and at 31 December 2013	16

Other investments at 31 December 2013, which are incorporated in Great Britain and are registered and operate in England and Wales, are as follows

	Percentage of ordinary shares held	Principal activity
South East London Combined Heat and Power Limited	1 59%	Municipal waste incinerators
London Greenways Limited	10%	General construction & civil engineering

NOTES TO THE FINANCIAL STATEMENTS continued

15. Debtors

	2013	2012
	£000	£000
Debtors: amounts falling due within one year		
Corporation tax (Group relief receivable)	**357**	595
Other debtors	**1,266**	-
Amounts owed by subsidiaries	**5,606**	-
	7,229	595
Debtors: amounts falling due after more than one year		
Loans to joint ventures	**48,755**	105,156
Loans to subsidiaries	**53,672**	2,567
Provision against loans to subsidiaries	**(50,549)**	-
Loans to associates	**13,348**	-
	65,226	107,723
	72,455	108,318

Loans to joint ventures are classified as non current because there is no enforceable right to recover within 12 months All balances are expected to be recovered beyond 12 months and are interest-bearing at rates in the range of six month LIBOR plus 200-275 points

The provision against loans to subsidiaries relates to a loan made to Sutton Bridge Financing Limited in 2013 to enable the company to redeem its external bonds This was required to aid the disposal of the Sutton Bridge power station This loan is not considered to be recoverable and hence the Company has made a provision

16. Deferred taxation

The movements in deferred tax asset are as follows

	2012	Profit and loss account	Statement of total recognised gains and losses	**2013**
	£000	£000	£000	**£000**
Deferred tax asset shown against pension liability	2,878	36	(225)	**2,689**

NOTES TO THE FINANCIAL STATEMENTS continued

17. Creditors

Creditors: amounts falling due within one year	2013 £000	2012 £000
Bank overdraft	-	143,118
Borrowings from Group companies	**180,258**	197,142
Amounts owed to joint ventures	**6,105**	17,938
Amounts owed to other Group companies	**5,705**	4,389
Accruals	**875**	78
Deferred consideration	**6,502**	-
	199,445	362,665
Creditors: amounts falling due after more than one year		
Deferred consideration	-	6,058
	-	6,058
	199,445	368,723

Amounts owed to joint ventures are interest bearing loans on positive cash balances held by the Company and are repayable on demand

The deferred consideration related to the acquisition of the stake in Fallago Rig Windfarm Limited and was contingent upon obtaining planning consent on the site, and achieving certain windspeed This is expected to be settled in 2014

Borrowings from other Group companies bear interest at the one-month LIBOR rate and are repayable on demand

18. Share capital

Allotted, called up and fully paid

	2013 Number	2012 Number	2013 £000	2012 £000
Ordinary shares of £1 00 each	**3,000,000**	3,000,000	**3,000**	3,000

19. Reconciliation of shareholder's funds

	Share capital £000	Capital reserve £000	Profit and loss account £000	**Total shareholder's funds £000**
At 1 January 2012	3,000	(43)	27,636	**30,593**
Loss for the year	-	-	(33,614)	**(33,614)**
Actuarial gain net of tax on defined pension benefits	-	-	14,777	**14,777**
At 31 December 2012	3,000	(43)	8,799	**11,756**
Profit for the year	-	-	3,264	**3,264**
Actuarial loss net of tax on defined pension benefits	-	-	(3,519)	**(3,519)**
At 31 December 2013	3,000	(43)	8,544	**11,501**

NOTES TO THE FINANCIAL STATEMENTS continued

20. Pension commitments

At the start of 2013, 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 AonHewitts, 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

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

	31 December 2013 % p.a.	31 December 2012 % p a
Discount rate		
- EEGS	**4 4**	4 6
- EEPS	**4 4**	4 8
Retail price index ("RPI") inflation assumption		
- EEGS	**3 5**	3 1
- EEPS	**3 5**	3 2
Rate of increase in salaries		
- EEGS	**3.5**	3 1
- EEPS	**3.5**	3 2
Rate of increase of pensions increases		
- full retail price indexation ("RPI")	**3.5**	3 2
- RPI up to 5% (EEPS – service to 31 March 2006)	**3.2**	3 1
- RPI up to 2 5% (EEPS – service from 31 March 2006)	**2.1**	2 1

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

	31 December 2013 years	31 December 2012 years
EEGS		
Life expectancy for current male pensioner aged 60	**27**	28
Life expectancy for current female pensioner aged 60	**30**	30
Life expectancy for future male pensioner currently aged 40 from age 60	**29**	30
Life expectancy for future female pensioner currently aged 40 from age 60	**32**	32
EEPS		
Life expectancy for current male pensioner aged 60	**23**	22
Life expectancy for current female pensioner aged 60	**25**	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

NOTES TO THE FINANCIAL STATEMENTS continued

20. Pension commitments continued

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

The amount recognised in the balance sheet in respect of the Company's defined benefit retirement benefit plan is as follows

	Total 2013 £000	Total 2012 £000
Fair value of scheme assets	**135,743**	117,355
Present value of defined benefit obligations	**(149,188)**	(129,869)
Deficit in scheme	**(13,445)**	(12,514)
Related deferred tax asset	**2,689**	2,878
Liability recognised in the balance sheet	**(10,756)**	(9,636)

This amount is presented in pension liabilities

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

	EEGS 2013 £000	EEPS 2013 £000	**Total 2013 £000**	Total 2012 £000
Service cost	(3,767)	(2,141)	**(5,908)**	(5,937)
Interest cost	(5,572)	(432)	**(6,004)**	(6,358)
Expected return on scheme assets	5,170	396	**5,566**	5,629
	(4,169)	(2,177)	**(6,346)**	(6,666)

The estimated amounts of contributions expected to be paid to the scheme during the current financial year is £9 5m

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

	EEGS 2013 £000	EEPS 2013 £000	**Total 2013 £000**	Total 2012 £000
At 1 January	(120,936)	(8,933)	**(129,869)**	(136,381)
Service cost	(3,767)	(2,141)	**(5,908)**	(5,937)
Interest cost	(5,572)	(432)	**(6,004)**	(6,358)
Actuarial (loss)/ gain	(10,113)	(1,124)	**(11,237)**	15,690
Benefits paid	3,715	115	**3,830**	3,674
Contributions by employees	-	-	**-**	(557)
At 31 December	(136,673)	(12,515)	**(149,188)**	(129,869)

NOTES TO THE FINANCIAL STATEMENTS continued

20. Pension commitments continued

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

	EEGS 2013 £000	EEPS 2013 £000	**Total 2013 £000**	Total 2012 £000
At 1 January	109,609	7,746	**117,355**	102,087
Expected return on scheme assets	5,170	396	**5,566**	5,629
Actuarial gain / (loss)	7,032	141	**7,173**	4,328
Contributions by employer	3,883	2,286	**6,169**	5,122
Deficit payments	3,135	175	**3,310**	3,306
Benefits paid	(3,715)	(115)	**(3,830)**	(3,674)
Contributions by employees	-	-	**-**	557
At 31 December	125,114	10,629	**135,743**	117,355

The present value of the defined obligations and fair value of scheme assets in the current period were as follows

	EEGS 2013 £000	EEPS 2013 £000	**Total 2013 £000**	Total 2012 £000
At 1 January	(11,328)	(1,186)	**(12,514)**	(34,294)
Service cost	(3,767)	(2,141)	**(5,908)**	(5,937)
Interest cost	(5,572)	(432)	**(6,004)**	(6,358)
Expected return on scheme assets	5,170	396	**5,566**	5,629
Actuarial (loss)/ gain	(3,081)	(983)	**(4,064)**	20,018
Contributions by employer	3,883	2,286	**6,169**	5,122
Deficit payments	3,135	175	**3,310**	3,306
At 31 December	(11,560)	(1,885)	**(13,445)**	(12,514)

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

	Expected return		**Fair value of assets**			
	EEGS EEPS 2013 %	EEGS EEPS 2012 %	**EEGS 2013 £000**	**EEPS 2013 £000**	**Total 2013 £000**	Total 2012 £000
Gilts - fixed	**3.6**	2 7	-	-	**-**	3,929
- index linked	**3.5**	2 6	23,824	-	**23,824**	22,749
Equities	**7.7**	7 9	58,364	4,322	**62,686**	45,757
Property	**7.3**	6 9	1,438	820	**2,258**	4,636
Corporate bonds	**4.4**	4 1	32,451	3,281	**35,732**	27,379
Cash and other	**0.9**	1 0	9,037	2,206	**11,243**	12,905
			125,114	10,629	**135,743**	117,355

NOTES TO THE FINANCIAL STATEMENTS continued

20. Pension commitments continued

History of experience gains and losses are as follows

	2013 £000	2012 £000	2011 £000	2010 £000	2009 £000
Fair value of scheme assets	**135,743**	117,355	102,087	92,310	7,767
Present value of defined benefit obligations	**(149,188)**	(129,869)	(136,381)	(116,288)	(11,183)
Deficit in the scheme	**(13,445)**	(12,514)	(34,294)	(23,978)	(3,416)
Experience adjustments on scheme liabilities					
Amount (£000)	**1,378**	1,857	-	293	(72)
Percentage of scheme liabilities	**0.9%**	(1 4%)	0%	(0 3%)	0 7%
Experience adjustments on scheme assets					
Amount (£000)	**6,793**	4,367	(2,216)	261	649
Percentage of scheme assets	**5.0%**	3 7%	(2 2%)	0 3%	8 4%

The amounts recognised in the statement of total recognised gains and losses are as follows

	EEGS 2013 £000	EEPS 2013 £000	**Total 2013 £000**	Total 2012 £000
At 1 January	(11,474)	228	**(11,246)**	(26,023)
Actuarial (loss)/gain	(3,081)	(983)	**(4,064)**	20,018
Deferred taxation (charge) / credit	(393)	168	**(225)**	(6,050)
Current tax credit	729	41	**770**	809
At 31 December	(14,219)	(546)	**(14,765)**	(11,246)

21. 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

22. Post balance sheet events

With effect from 1 January 2014, the Group disposed of half of its interest in High Hedley Hope Wind Ltd, Kirkheaton Windfarm Ltd, Lewis Wind Power Ltd and EDF Energy Round 3 Isle of Wight Limited to EDF EN UK Limited, another subsidiary of the EDF SA group As part of this transaction, the Group also purchased 50% in First Windfarm Holdings Ltd and Fenland Windfarms Ltd from EDF EN UK Ltd This resulted in a net cash payment to EDF EN UK Ltd of £5 4m The impact of this transaction is to ensure that the EDF SA stake in all UK windfarms is now shared between the Group and EDF EN UK Limited, a fellow subsidiary of EDF SA The impact of this transaction is neutral from the perspective of the ultimate parent company

NOTES TO THE FINANCIAL STATEMENTS continued

23. Parent undertaking and controlling party

EDF Energy plc holds a 100% interest in EDF Energy (Energy Branch) 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 2013, 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