

# EDF ENERGY (UK) LIMITED

REGISTERED NUMBER: 02622406

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020



**EDF ENERGY (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2020**

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<b>Directors</b>	Robert Guyler Simone Rossi Ariel Fefer Nathalie Pivet
<b>Company secretary</b>	Joe Souto
<b>Auditor</b>	Deloitte LLP Hill House 1 Little New Street London United Kingdom EC4A 3TR
<b>Registered office</b>	90 Whitfield Street London England W1T 4EZ

**EDF ENERGY (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2020**

**STRATEGIC REPORT**

The Directors present their Strategic Report for the year ended 31 December 2020.

**Principal activity**

The principal activity of the Company is to be the holding company for Électricité de France SA's ("EDF Group") interest in power generation and supply in the United Kingdom. It will continue in this activity for the foreseeable future.

**Section 172 (1) Statement**

The Directors are fully aware of their responsibilities to promote the success of the company in accordance with Section 172 of the Companies Act 2006. Further details on how the Directors' duties are discharged and the oversight of these duties are included in the Directors Report.

The principal activity of the Company is to be the holding company for the Électricité de France SA's (**EDF SA**) interest in power generation and supply in the United Kingdom (UK) with the Company being the top UK holding company of the EDF Energy Group (the **Group**).

The Company is non-trading, has no employees, customers or suppliers with its primary role being to act as the financing vehicle for the Group; working with its shareholder, EDF International SAS, and EDF SA to ensure the Group has sufficient funding available to it to fund the activities and pipeline projects and transactions of each business unit. As a result of this, the breadth of stakeholder and other considerations that would often apply to decision making for those operational companies within the Group have generally not applied to the decisions made by the Directors of the Company. The Directors primarily consider the impact of the Company's activities on its shareholder, its subsidiaries and the EDF Energy businesses as a whole with regard to performing their duties on matters set out under Section 172 of the Companies Act 2006.

The main governance oversight board of the Group is EDF Energy Holdings Limited, the Company's direct subsidiary, which frequently meets to discuss matters which are of strategic importance for the Group. For more information on these matters please consider the comprehensive s.172 Directors Duties Statement as detailed in the Consolidated Annual Report & Financial Statements (2020) of EDF Energy Holdings Limited.

**Impact on Principal Decisions**

The key board decisions approved during the year related to the provision of funding to the Group which included the acquisition of Pod Point by the Customers business, various corporate financing matters including ongoing funding of the Hinkley Point C project, corporate re-organisation activities and the approval of the annual report. These decisions were in line with the strategic goals of both the Company and its shareholder.

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**STRATEGIC REPORT (CONTINUED)**

To ensure strong corporate governance practices are maintained, the Group acts in accordance with 13 overarching internal policies which are underpinned by EDF Energy's sustainable business roadmap that sets out how we are delivering our Company purpose: Helping Britain Achieve Net Zero (the **Purpose**). The Board is committed to ensuring that high standards of corporate governance are maintained across its subsidiaries within the Group and complies with company policies as well as maintaining high standards of business conduct in the spirit of the corporate governance codes and principles.

EDF Energy launched its Purpose in July 2020, and it forms the basis of all company decision making and all communication and engagement with both internal and external stakeholders. The reason for its creation, as well as that of the sustainable business roadmap, was to firmly align the Group with the values and goals of its ultimate parent, EDF SA, being to build a net zero energy future with electricity and innovative solutions and services to help save the planet and drive wellbeing and economic development (the **Raison d'être**). The Purpose is a UK articulation of the Raison d'être with which it is entirely consistent and underpins all strategy setting and decision making by the Board, ensuring activity within the Company is compatible with achieving these objectives.

The Company and its Directors actively engage with its shareholder, EDF SA and the Company's subsidiaries along with their respective teams to ensure appropriate funding is met as and when required to support ongoing projects within the UK and to promote the long-term success and prosperity of the Company and the Group as a whole.

**Review of the business**

The loss for the year before taxation amounted to €268m (2019: €235m) and the loss after taxation amounted to €207m (2019: €195m). The net assets at the end of the year amounted to €20,084m (2019: €16,910m).

In the United Kingdom, the activities of EDF Energy (UK) Limited and its subsidiaries (the "Group") are managed on a group basis. For this reason, and the fact that the Company is non-trading, the Company's Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The Group, which includes the Company, is discussed in the EDF Group's Annual Report, which does not form part of this report.

**Principal risks and uncertainties**

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.

**Interest rate risk**

The Company's exposure to interest rate risk is mitigated by its long-term borrowings being at fixed interest rates. The Company retains some exposure to interest rate risk due to some short-term floating borrowings and the cross currency swaps which are in place.

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**STRATEGIC REPORT (CONTINUED)**

**Foreign currency risk**

The Company's exposure to foreign currency risk mainly relates to the currency exposure on investment in subsidiaries and on the Sterling denominated debtors. The Company has entered into a series of cross currency swaps, which upon maturity will be replaced by further cross currency swaps in line with the documented risk management strategy. These are designated as a fair value hedge of the change in investments. The intention of the cross currency swaps is to reduce the foreign currency risk exposure of the Sterling investments in subsidiaries.

**Liquidity and credit risk**

Liquidity risk is mitigated by the borrowing facilities and equity provided by EDF S.A., its ultimate parent company. Credit risk is mitigated by the nature of Company's activities because all transactions occur with other companies within the EDF Group.

**Investment risk**

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

**EU Referendum**

The United Kingdom (UK) voted to leave the membership of the European Union (EU) on 23 June 2016 and officially left the EU on 31 January 2020. Thereafter the UK entered a transition period that ended on 31 December 2020. During the transition period for most EU and UK businesses including EDF Energy, transactions were mostly unchanged particularly with respect to trade, access to labour & services and the business rules & regulations that govern business operations. During the transition period, the UK and EU negotiated a Trade and Cooperation Agreement (TCA) that was agreed on 24 December 2020 which set out the basis for the future UK-EU relationship from 1st January 2021.

A separate Nuclear Cooperation Agreement (NCA) was also agreed that set out the basis for the specific future civil nuclear relationship. The NCA demonstrates a clear commitment to on-going cooperation on civil nuclear, including safeguards, safety and security. It also provides a framework for trade in nuclear materials and technology, facilitates research and development, and enables exchange of information.

**Covid-19**

The Company continues to monitor the impact of Covid-19 on its business to ensure appropriate actions can be taken to mitigate risk to the Company. While the uncertainty continues, the Covid-19 pandemic has not had a material impact on the financial statements or the financial results of the Company.

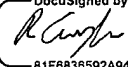
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**STRATEGIC REPORT (CONTINUED)**

**Going concern**

The Directors have made enquiries and reviewed cash flow forecasts and available facilities for at least the next 12 months. Taking these in to account 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 Strategic Report. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements.

Approved by the Board and signed on its behalf by:

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Robert Guyler  
Director

23 August 2021  
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**EDF ENERGY (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2020**

**DIRECTORS' REPORT**

The Directors present their annual report and the financial statements for the year ended 31 December 2020.

Principal risks, uncertainties and going concern are discussed within the Strategic Report.

**Directors**

The Directors who held office during the year were as follows:

Robert Guyler

Simone Rossi

Ariel Fefer

Nathalie Pivet

None of the Directors had a service agreement 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. Details of total Directors' remuneration is available in the Group accounts, which are available to the public as set out in note 18.

No Director (2019: none) held any interests in the shares or debentures of the Company or the Group required to be disclosed under the Companies Act 2006.

**Streamlined Energy and Carbon Reporting**

Information on the streamlined energy and carbon reporting is discussed in the EDF Energy Holdings Limited Group's Annual Report which does not form part of this report and are available to the public as set out in note 18.

**Dividends**

No Dividends (2019: None) were paid during the year.

**Political contributions**

The Company made no political contributions in either the current or prior year.

**Financial instruments**

The use of financial instruments in the Company is outlined in the statement of accounting policies and notes 11 and 15.

**Future developments**

The future developments of the Company are outlined in the Principal activity section of the Strategic Report.

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**DIRECTORS' REPORT (CONTINUED)**

**Directors' liabilities**

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.

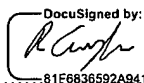
**Disclosure of information to the auditor**

Each Director has taken 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. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware. This confirmation is given and should be interpreted in accordance with the provision of s.418 of the Companies Act 2006.

**Reappointment of auditor**

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

Approved by the Board and signed on its behalf by:

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Robert Guyler  
Director

23 August 2021  
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**EDF ENERGY (UK) LIMITED**  
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**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 Financial Reporting Standard 101 Reduced Disclosure Framework. 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable Financial Reporting Standard 101 Reduced Disclosure Framework has been followed, subject to any material departures disclosed and explained in the financial statements; 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.

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

**Opinion**

In our opinion the financial statements of EDF Energy (UK) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of financial position;
- the statement of changes in equity;
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Summary of our audit approach**

**Key audit matters**

The key audit matter that we identified in the current year was the valuation of investment in subsidiary undertakings.

Within this report, key audit matters are identified as follows:

- Newly identified
- Increased level of risk
- Similar level of risk
- Decreased level of risk

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

**Materiality**

The materiality that we used in the current year was €50m, which was determined on the basis of 0.3% of net assets.

**Scoping**

Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

**Significant changes in our approach**

There were no significant changes in our approach in the current year.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- assessing the company's financing facilities including the nature of facilities, repayment terms and covenants;
- assessing the ability and intention of EDF SA to continue to fund EDF UK operations with input from the Deloitte Paris EDF SA group audit team; and
- assessing the going concern position of the underlying subsidiaries by evaluating the cashflow forecasts and model prepared by management and conducting sensitivity analysis.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

**1. Valuation of investment in subsidiary undertakings**

**Key audit matter description**

The company has investments in subsidiary undertakings of €24,309m as at 31st December 2020 (2019: €21,281m), valued at cost less provision for impairment.

This direct investment relates solely to EDF Energy Holdings Limited, which is a wholly owned subsidiary, which in turn has investments in a number of other EDF Energy entities in the group.

There is a risk in relation to the valuation of this investment and whether any impairment is required as a result of the impairment indicators identified within EDF Energy Holdings Limited Group.

Management have undertaken an impairment assessment exercise of the underlying assets within the entity's subsidiary. This involved preparing an enterprise value calculation, which comprised a valuation of all subsidiary undertakings inclusive of the consolidated net debt position of the investments held in EDF Energy Holdings Limited. Nothing has been identified by management that would warrant an impairment being recognised during the year. Please refer to Note 10 for further details of this key audit matter.

Further details are included within the Critical accounting estimates and judgements note in note 3 of the financial statements.

**How the scope of our audit responded to the key audit matter**

Our procedures to address the above mentioned matter included the following:

- Obtaining an understanding of relevant controls related to the EDF Energy Holdings Limited group impairment exercise;
- Assessing the calculated enterprise value of the company's investment in EDF Energy Holdings Limited for mathematical accuracy and compliance with IAS 36;
- Testing the mathematical accuracy of the group long-term impairment model, which includes the value in use of all underlying CGUs held in EDF Energy Holdings Limited Group;
- Challenging significant assumptions within management's forecasts generating the EDF Energy Holdings Limited enterprise value, including consideration of current economic circumstances, such as COVID-19; and
- Performing sensitivity analyses to ascertain whether a reasonably possible change in any of the significant underlying assumptions would result in a potential impairment.

**Key observations**

Based on the procedures above, we concurred with management that there was no impairment to the investment in EDF Energy Holdings Limited. Therefore, we concluded that the carrying amount of the investment in subsidiary undertakings is appropriate and we concurred that no impairment was required.

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

**Our application of materiality**

**1. Materiality**

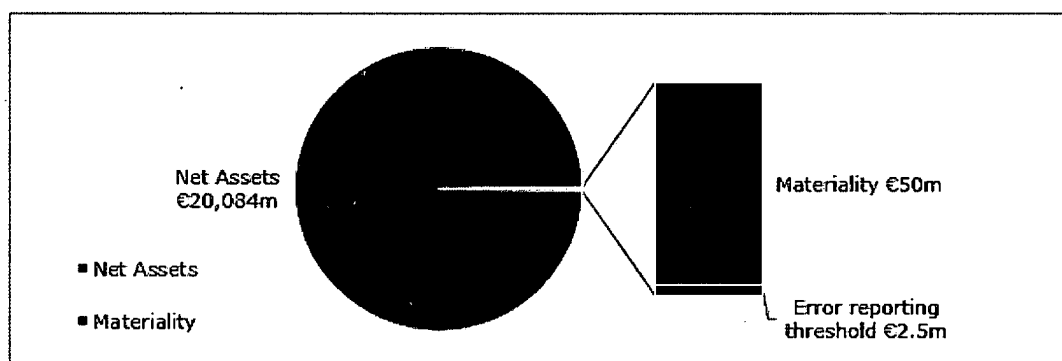
We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

**Materiality** : €50m (2019: €56m)

**Basis for determining materiality** : 0.3% of net assets (2019: 0.3% of net assets)

**Rationale for the benchmark applied** : We determined materiality based on net assets due to the nature and purpose of the entity. Given that EDF Energy (UK) Limited is an investment holding company of the EDF Energy Holdings Group as well as the provider of intercompany finance, net assets is considered to be the relevant benchmark and indicator to stakeholders of the entity.



**2. Performance materiality**

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2020 audit (2019: 70%). In determining performance materiality, we considered factors including our assessment of risk, the overall control environment and our past experience of the audit, which has indicated a low number of corrected and uncorrected misstatements identified in prior periods.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDF ENERGY (UK) LIMITED**  
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**3. Error reporting threshold**

We agreed with the directors that we would report all audit differences in excess of €2.5m (2019: €2.8m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

**An overview of the scope of our audit**

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Responsibilities of directors**

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

**1. Identifying and assessing potential risks related to irregularities**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- results of our enquiries of management internal audit and the audit committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
  - o identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - o detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - o the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team including tax and financial instruments specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

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

**2. Audit response to risks identified**

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the audit committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, and reviewing internal audit reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

**Report on other legal and regulatory requirements**

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.



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

**Matters on which we are required to report by exception**

**1. Adequacy of explanations received and accounting records**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have nothing to report in respect of these matters.

**2. Directors' remuneration**

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

**Use of our report**

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.



Anthony Matthews FCA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom

23 August 2021  
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**EDF ENERGY (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
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**INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 € m	2019 € m
Finance costs/(income)	5	(268)	(245)
Other gains/(losses)	6	<u>-</u>	<u>10</u>
<b>Loss before taxation</b>		<b>(268)</b>	<b>(235)</b>
Taxation	8	<u>61</u>	<u>40</u>
<b>Loss for the year</b>		<b><u>(207)</u></b>	<b><u>(195)</u></b>

There were no recognised gains or losses during the current or prior year other than the losses shown above. Accordingly, no separate statement of comprehensive income has been presented.

The above results were derived from continuing operations in both the current and preceding year.

**EDF ENERGY (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
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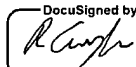
**STATEMENT OF FINANCIAL POSITION**  
**AT 31 DECEMBER 2020**

	Note	2020 € m	2019 € m
<b>Non-current assets</b>			
Investments in subsidiary undertakings	9	24,309	21,281
Financial assets	10	23	-
Derivative financial instruments	11	32	123
Deferred tax assets	12	11	-
		<u>24,375</u>	<u>21,404</u>
<b>Current assets</b>			
Derivative financial instruments	11	9	-
Cash and cash equivalents	13	21	32
Current tax asset		<u>9</u>	<u>18</u>
<b>Total current assets</b>		<u>39</u>	<u>50</u>
<b>Total assets</b>		<u>24,414</u>	<u>21,454</u>
<b>Current liabilities</b>			
Derivative financial instruments	11	-	(2)
Other liabilities	14	<u>(44)</u>	<u>(44)</u>
		<u>(44)</u>	<u>(46)</u>
<b>Net current (liabilities)/assets</b>		<u>(5)</u>	<u>4</u>
<b>Total assets less current liabilities</b>		<u>24,370</u>	<u>21,408</u>
<b>Non-current liabilities</b>			
Derivative financial instruments	11	(42)	(254)
Borrowings	15	<u>(4,244)</u>	<u>(4,244)</u>
		<u>(4,286)</u>	<u>(4,498)</u>
<b>Total liabilities</b>		<u>(4,330)</u>	<u>(4,544)</u>
<b>Net assets</b>		<u>20,084</u>	<u>16,910</u>
<b>Equity</b>			
Share capital	16	18,661	15,418
Share premium	16	1,032	894
Re-denomination reserve		1,402	1,402
Foreign currency translation reserve		(952)	(952)
Retained earnings		<u>(59)</u>	<u>148</u>
<b>Shareholders' funds</b>		<u>20,084</u>	<u>16,910</u>

**EDF ENERGY (UK) LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2020**

**STATEMENT OF FINANCIAL POSITION  
AT 31 DECEMBER 2020 (continued)**

The financial statements of EDF Energy (UK) Limited (registered number 02622406) on pages 16 to 45 were approved by the Board and signed on its behalf by:

DocuSigned by:  
  
.....81F6836592A941E.....

Robert Guyler  
Director

23 August 2021  
.....

**EDF ENERGY (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2020**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	Share capital € m	Share premium € m	Re- denomination reserve € m	Foreign currency translation € m	Retained earnings € m	Total € m
At 1 January 2019	13,980	894	1,402	(952)	343	15,667
Loss for the year	-	-	-	-	(195)	(195)
Issue of share capital (note 16)	<u>1,438</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,438</u>
At 31 December 2019	15,418	894	1,402	(952)	148	16,910
Loss for the year	-	-	-	-	(207)	(207)
Issue of share capital (note 16)	<u>3,243</u>	<u>138</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,381</u>
At 31 December 2020	<u>18,661</u>	<u>1,032</u>	<u>1,402</u>	<u>(952)</u>	<u>(58)</u>	<u>20,084</u>

**EDF ENERGY (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**1 General information**

EDF Energy (UK) Limited is a private company limited by shares. It is incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on the contents page. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 1 to 4.

**Basis of preparation**

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'. The Company meets the definition of a qualifying entity under Financial Reporting Standard 101 (FRS 101) "Reduced Disclosure Framework".

**2 Accounting policies**

**Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the asset.

**Summary of disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- a) The requirements of IFRS 7 Financial Instruments: Disclosures;
- b) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- c) the requirements in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 79(a)(iv) of IAS1;
- d) the requirements of paragraphs 10(f) and 134-136 of IAS 1 Presentation of Financial Statements;
- e) the requirements of IAS 7 Statement of Cash Flows;
- f) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- g) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- h) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- i) the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) - 134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

Where relevant, equivalent disclosures have been given in the group accounts which are available to public as set out in note 18.

**EDF ENERGY (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2020**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**2 Accounting policies (continued)**

**Going concern**

The Directors have made enquiries and reviewed cash flow forecasts and available facilities for at least the next 12 months. Taking these in to account 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 Strategic Report. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements.

**Exemption from preparing group accounts**

The financial statements contain information about EDF Energy (UK) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of Électricité de France SA, a company incorporated in France.

**Interest income**

Interest income is recognised as the interest accrues (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

**Finance cost**

Finance costs of debt are recognised in the income statement over the term of such instruments, at a constant rate on the carrying amount. The net amount of interest relating to cross currency swaps is recognised in note 5.

**Foreign currency transactions and balances**

The functional and presentational currency of the Company is Euros. Transactions in foreign currency are initially recorded in the functional currency at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

In order to hedge its exposure to certain foreign exchange risks, the Company enters into cross currency swaps to mitigate the risks.

**EDF ENERGY (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2020**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**2 Accounting policies (continued)**

**Taxation**

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Current tax

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 by the balance sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax

Deferred tax is provided or recognised in full using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax arising from (1) the initial recognition of goodwill, (2) the initial recognition of assets or liabilities in a transaction (other than in a business combination) that affects neither the taxable profit nor the accounting profit, or (3) differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future, is not provided for.

Deferred tax assets are recognised to the extent it is more likely than not that future taxable profits will be available against which the temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply for the period when the asset is realised or the liability is settled based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

Current tax and deferred tax for the year

Current tax and deferred tax are recognised in the income statement, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**Investment in subsidiaries**

Subsidiary undertakings are those entities controlled by the company, and where the substance of the relationship between the Company and the entity indicates that the entity is controlled by the company. The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Considerations in the assessment of control include:

- the purpose and design of the entity;
- what the relevant activities are and how decisions about those activities are made;
- whether the rights of the company give it the current ability to direct the relevant activities;
- whether the company is exposed, or has rights, to variable returns from its involvement with the entity; and
- whether the entity has the ability to use its power over the investee to affect the amount of the investor's returns.



**EDF ENERGY (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**2 Accounting policies (continued)**

**Investment in subsidiaries (continued)**

The Company continues to assess whether it controls an entity if facts and circumstances indicate that there are changes to the elements of control.

Investment in subsidiaries is recorded at cost less accumulated impairment unless they are designated in a fair value hedge relationship of movements in the EUR/GBP exchange rate. Investments in a hedge relationship are re-translated into Euros at the spot foreign exchange rate at each reporting date with any movements being recognised within interest in the income statement.

Investment in subsidiaries is reviewed for indicators of impairment annually and if such factors exist, a detailed impairment test is carried out. Impairment is recognised in the income statement when the recoverable amount of the company's investment is lower than the carrying amount of the investment.

Upon disposal of the investment in the entity, the Company measures the investment at its fair value. Any difference between the fair value of the Company's investment and the proceeds of disposal is recognised in the income statement.

**Cash and cash equivalents**

Cash and cash equivalents comprise immediately available liquidities and very short-term investments that are readily convertible into a known amount of cash, usually maturing within three months or less of the acquisition date, and with negligible risk of fluctuation in value.

**Borrowings**

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

**Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

**Financial instruments**

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

**Financial liabilities and equity**

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

**EDF ENERGY (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**2 Accounting policies (continued)**

**De-recognition of financial assets**

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset along with substantially all the risks and rewards of ownership to a third party. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying value, the sum of the consideration received and receivable, and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the income statement.

**Interest-bearing loans and borrowings**

Interest-bearing loans and borrowings are initially measured at the fair value of the proceeds received, net of direct issue costs. These instruments are subsequently measured at amortised cost using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a financial liability or a financial asset and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or asset or (where appropriate) a shorter period, to the net carrying amount on initial recognition).

**Derivatives and other financial instruments and hedge accounting**

The Company's activities expose it to fluctuations in foreign exchange rates. The use of derivatives and other financial instruments is governed by the Company's policies, approved by the Board of EDF Energy (UK) Limited. The Company does not use derivatives and other financial instruments for speculative purposes. Derivatives and other financial instruments are measured at fair value on the date a derivative contract is entered into, and are re-measured to fair value at subsequent reporting dates. Changes in the fair value of derivatives and other financial instruments that do not qualify for hedge accounting are recognised in the income statement as they arise. Changes in the fair values of derivative financial instruments that are designated as fair value hedges are also recognised immediately in the income statement.

**EDF ENERGY (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**2 Accounting policies (continued)**

**Financial instruments (continued)**

**Hedge accounting**

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

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

**Fair value hedges**

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement immediately, together with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in interest income/finance costs in the income statement. Hedge accounting is discontinued when the Company revokes the hedging relationship, the hedge instrument expires or is sold, terminated, exercised or no longer qualifies for hedge accounting.

**Recognition of expected credit losses**

The Company recognises a loss allowance for expected credit losses on a financial asset that is measured at amortised cost, measured at fair value through other comprehensive income, a lease receivable, a contract asset or a loan commitment and a financial guarantee contract to which impairment requirements apply.

At each reporting date, the Company measures the loss allowance for a financial instrument at an amount equal to lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The expected credit losses are assessed considering all reasonable and supportable information, including that which is forward-looking.

If at the reporting date the credit risk on a financial instrument has not increased significantly since initial recognition, and entity shall measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. The amount of credit losses (or reversal) is recognised in profit or loss, as an impairment gain or loss at the reporting date.

**EDF ENERGY (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**3 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, described in note 2, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Critical judgements in applying accounting policies**

There are no critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

**Key sources of estimation uncertainty**

The following are estimation uncertainties that the Directors have identified in the process of applying the accounting policies of the Company which may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**Impairment of investments**

The Company performs impairment testing on assets where there is an indication of potential impairment. Where indicators of impairment are identified, an impairment review is undertaken. The Company considers the recoverability of the investment by reference to the internal valuation of EDF Energy Holdings Group as a whole. This is derived from the annual goodwill and fixed asset impairment assessment within the investee and simultaneously addresses investment impairment considerations at an EDF Energy (UK) limited level. The impairment review process is documented in detail within note 16 of the EDF Energy Holdings Limited accounts.

**4 Loss for the year**

In 2020 an amount of €88,985 (2019: €79,700) was paid to Deloitte LLP for audit services. This charge was borne by another Group company in both current and prior year. In 2020, amounts payable to Deloitte LLP by the Company in respect of non-audit services were €nil (2019: €nil).

There were no employees in the Company in either the current or preceding year.

**EDF ENERGY (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**5 Finance costs/(income)**

	<b>2020</b>	<b>2019</b>
	<b>€m</b>	<b>€m</b>
Interest on bank overdrafts and borrowings	71	70
Interest payable on loans from other Group companies	73	73
Interest on cross currency swaps	84	93
Fair value losses on foreign currency derivatives	15	4
<i>Loss/(gain) arising on derivatives in a designated fair value hedge relationship:</i>		
Euro:sterling cross currency swap inceptioned on June 2015 (matured in June 2019) (i)	-	(5)
Euro:sterling cross currency swap inceptioned on June 2016 (matured in June 2020) (ii)	(71)	54
Euro:sterling cross currency swap inceptioned on June 2017 (matures in June 2021) (iii)	(34)	31
Euro:sterling cross currency swap inceptioned on June 2018 (matures in June 2022) (iv)	(89)	85
Euro:sterling cross currency swap inceptioned on June 2019 (matures in June 2023) (v)	(176)	172
Euro:sterling cross currency swap inceptioned on June 2020 (matures in June 2024) (vi)	46	-
<i>Loss/(gain) arising on adjustment of the hedged item in a designated fair value accounting relationship:</i>		
Foreign exchange loss/(gain) on sterling denominated investments	349	(332)
	<u>268</u>	<u>245</u>

(i) This basis swap matured and settled in June 2019.

(ii) The June 2016 swap was designated in a hedge relationship and matured in June 2020.

(iii) The June 2017 swap was designated in a hedge relationship and matures in June 2021.

(iv) The June 2018 swap was designated in a hedge relationship and matures in June 2022.

(v) The June 2019 swap was designated in a hedge relationship and matures in June 2023.

(vi) The June 2020 swap was designated in a hedge relationship and matures in June 2024.

**EDF ENERGY (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**6 Other gains and (losses)**

	2020	2019
	€ m	€ m
Hedge ineffectiveness on the fair value hedge*	-	6
Gain from credit value adjustment provision	-	4
	<u>-</u>	<u>10</u>

\*This represents the measured hedge ineffectiveness of all designated FX fair value hedges.

**7 Directors' remuneration**

None of the Directors had a service agreement 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. Details of total Directors' remuneration is available in the Group accounts, which are available to the public as set out in note 18.

No Director (2019: none) held any interests in the shares or debentures of the Company or the Group required to be disclosed under the Companies Act 2006.

**EDF ENERGY (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**8 Tax on loss**

(a) Tax (credited) in the income statement

	<b>2020</b>	<b>2019</b>
	<b>€ m</b>	<b>€ m</b>
<b>Current taxation</b>		
UK corporation tax credit on losses made in the year	(44)	(44)
Adjustments in respect of previous years' reported tax credits	<u>(6)</u>	<u>(4)</u>
Total current tax credit in the year	<u>(50)</u>	<u>(48)</u>
<b>Deferred taxation</b>		
Current year credit	(7)	-
Adjustments in respect of previous years' reported tax charges/(credits)	<u>(4)</u>	<u>8</u>
Total deferred tax charge in the year	<u>(11)</u>	<u>8</u>
Income tax credit reported in the income statement	<u>(61)</u>	<u>(40)</u>

(b) The tax on (loss) before tax for the year is lower (2019: higher) than the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%).

The (credit) for the year can be reconciled to the loss in the income statement as follows:

	<b>2020</b>	<b>2019</b>
	<b>€ m</b>	<b>€ m</b>
Loss before tax	<u>(268)</u>	<u>(235)</u>
Tax at the UK corporation tax rate of 19.00% (2019: 19.00%)	(51)	(44)
<b>Effect of:</b>		
Adjustment to prior-year corporation tax (credit)	(6)	(4)
Adjustment to prior year deferred tax charge/(credit)	<u>(4)</u>	<u>8</u>
Tax (credit) reported in the income statement	<u>(61)</u>	<u>(40)</u>

**EDF ENERGY (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**8 Tax on loss (continued)**

(c) Other factors affecting the tax charge for the year:

The accounting for deferred tax follows the accounting treatment of the underlying item on which deferred tax is being provided and hence is booked within equity if the underlying item is booked within equity.

The closing deferred tax balance at 31 December 2020 has been calculated at 19.00% (31 December 2019: 17.00%). This is the average tax rate at which the reversal of the net deferred tax liability is expected to occur.

In the March 2021 Budget it was announced that legislation will be introduced in Finance Bill 2021 to increase the main rate of UK corporation tax from 19% to 25%, effective 1 April 2023. As substantive enactment is after the balance sheet date, deferred tax balances as at 31 December 2020 continue to be measured at a rate of 19%. The impact of the changes is disclosed as a post balance sheet event in account note 20.

**9 Investment in subsidiary undertakings**

	€ m
<b>Cost</b>	
At 1 January 2019	19,055
Foreign exchange revaluations arising as a result of fair value hedge relationship	332
Additions	<u>1,894</u>
At 31 December 2019	<u>21,281</u>
At 1 January 2020	21,281
Foreign exchange revaluations arising as a result of fair value hedge relationship	(349)
Additions	<u>3,377</u>
At 31 December 2020	<u><u>24,309</u></u>



**EDF ENERGY (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**9 Investment in subsidiary undertakings (continued)**

In 2020, €335m of additions relate to the acquisition of EDF Development Company Limited ("DevCo"). A share for share exchange was then undertaken to transfer the ownership of DevCo to the Company's subsidiary, EDF Energy Holdings Limited. The remaining additions relate to increased investment in EDF Energy Holdings Limited.

The principal subsidiary undertakings at 31 December 2020, which are incorporated in the United Kingdom and are registered and operate in England and Wales, or Scotland (unless otherwise stated), are as follows:

Name of subsidiary	Principal activity	Proportion of ownership interest of ordinary shares and voting rights held	Proportion of ownership interest of ordinary shares and voting rights held
		2020	2019
British Energy Bond Finance Limited *(2)	Financial activities	80%	80%
British Energy Generation (UK) Limited *(2)	Holding company	80%	80%
EDF Energy Nuclear Generation Limited *(1)	Power generation	80%	80%
British Energy International Holdings Limited *(2)	Holding company	80%	80%
British Energy Limited *(2)	Holding company	80%	80%
British Energy Trustees Limited *(2)	Financial activities	80%	80%
Cheshire Cavity Storage 1 Limited *	Provision of gas storage facilities	100%	100%
EDF Energy Limited *	Sale of electricity	100%	100%
EDF Energy Customers Limited *	Electricity retailing	100%	100%
EDF Energy Holdings Limited	Holding company	100%	100%
EDF Energy Lake Limited *	Holding company	100%	100%
EDF Energy (Thermal Generation) Limited *	Power generation	100%	100%
EDF Energy (Gas Storage) Limited *	Provision of gas storage facilities	100%	100%
EDF Energy R&D UK Centre Limited *	Research and development of generation and supply	100%	100%
EDF Energy (NNB) Limited (Hong Kong)* (3)	Holding company	100%	100%
EDF Energy Innovation Limited *	Provision of innovation services	80%	80%

**EDF ENERGY (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2020**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**9 Investment in subsidiary undertakings (continued)**

EDF Energy Nuclear Generation Group Limited *(2)	Holding company	80%	80%
EDF Energy ESPS Trustee Limited *	Dormant company	100%	100%
EDF Energy Pension Scheme Trustee Limited *	Dormant company	100%	100%
Hoppy Limited *	Digital innovation system	100%	51%
Lake Acquisitions Limited *	Holding company	80%	80%
Lochside Insurance Limited * (Guernsey) (4)	Insurance company	80%	80%
NNB Holding Company (HPC) Limited *	Holding company	66.5%	66.5%
NNB Holding Company (SZC) Limited *	Holding company	80%	80%
NNB Top Company HPC (A) Limited *	Holding company	100%	100%
NNB Top Company HPC (B) Limited *	Holding company	100%	100%
NNB Generation Company (SZC) Limited *	Development of generation and supply	80%	80%
NNB Generation Company (HPC) Limited *	Development of generation and supply	66.5%	66.5%
NNB Finance Company (HPC) Limited *	Financial activities	66.5%	66.5%
Northern Power Limited *(2)	Power generation	100%	100%
Lochside Energy Inc * (Canada)(4)	Financial activities	80%	80%
West Burton Property Limited *	Non-trading (dormant)	100%	100%
EDF Energy (TSO) Limited	Technical services	100%	0%
EDF Energy EV Limited *	Holding company	77.5%	0%
Pod Point Holding Limited *(5)	Holding company	77.5%	0%
Pod Point Limited *(5)	Provision of charging infrastructure for electric vehicles	77.5%	0%
Open Charge Limited *(5)	Financial activities	77.5%	0%
Pod Point Asset One Limited *(5)	Provision of charging infrastructure assets for electric vehicles	77.5%	0%
Pod Point Norge AS (Norway) *(6)	Dormant company	77.5%	0%

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**9 Investment in subsidiary undertakings (continued)**

\*Indirectly held

- (1) Registered address: Barnett Way, Barnwood, Gloucester, GL4 3RS
- (2) Registered address: EDF Energy, GSO Business Park, East Kilbride, G74 5PG
- (3) Registered address: Room 190/2, 19/F Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong
- (4) Registered Address: PO Box 34, St Martin's House, Le Bordage, St Peter Port, Guernsey, Channel Island, GY1 4AU
- (5) Registered Address: 28-42 Banner Street Banner Street, London, England, EC1Y 8QE
- (6) Registered Address: Engebrets vei 3 0275 Oslo

Unless stated otherwise, the registered address of the subsidiary undertakings listed above is 90 Whitfield Street, London, W1T 4EZ.

In 2020, Cheshire Cavity Storage Group Limited, EDF Energy (Energy Branch) Limited, EDF Energy Fleet Services Limited and EDF Energy (Cottam Power) Limited were dissolved.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**9 Investment in subsidiary undertakings (continued)**

The associates and joint operations at 31 December 2020, which are registered and operate in England and Wales, are as follows:

*Associates in which ownership interest does not directly correlate to voting rights held are listed as "ownership interest/voting rights"*

Name of associate	Principal activity	Proportion of ownership interest and voting rights held	Proportion of ownership interest and voting rights held
		2020	2019
Navitus Bay Development Limited (1)	Renewable energy generation	24.5%	24.5%
Lewis Wind Power Holdings Limited (2)	Holding company	24.5%	24.5%
Stornoway Wind Farm Limited (2)	Renewable energy generation	24.5%	24.5%
Uisenis Power Limited (2)	Renewable energy generation	24.5%	24.5%
Clash Gour Holdings Limited (6)	Holding company	49%	49%
Dallas Windfarm Limited (6)	Renewable energy generation	49%	49%
Altyre II Windfarm Limited (6)	Renewable energy generation	49%	49%
Dunphail Windfarm Limited (6)	Renewable energy generation	49%	49%
Dunpphail II Windfarm Limited (6)	Renewable energy generation	49%	49%
Dunphail Windfarm Partnership LLP (6)	Renewable energy generation	49%	49%
EDF Energy Renewables Limited (15)	Renewable energy generation	49%	49%
Fallago Rig II Windfarm Limited (15)	Renewable energy generation	49%	49%
Braemore Wood Windfarm Limited (15)	Renewable energy generation	49%	49%
Burnfoot East Windfarm Limited (15)	Renewable energy generation	49%	49%
NNG Windfarm Holdings Limited (6)	Renewable energy generation	49%	49%

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**9 Investment in subsidiary undertakings (continued)**

Neart Na Gaoithe Offshore Wind Limited (6)	Renewable energy generation	49%	49%
Burnfoot Windfarm Limited (15)	Renewable energy generation	24.9%	24.9%
Fairfield Windfarm Limited (15)	Renewable energy generation	24.9%	24.9%
Boundary Lane Windfarm Limited (15)	Renewable energy generation	24.9%	24.9%
Walkway Windfarm Limited (15)	Renewable energy generation	24.9%	24.9%
Teesside Windfarm Limited (15)	Renewable energy generation	24.9%	24.9%
EDF Renewables Solar Limited (15)	Renewable energy generation	49%	49%
NNG Windfarm Holdings (6)	Renewable energy generation	24.5%	24.5%
Longpark Windfarm Limited (15)	Renewable energy generation	24.9%	24.9%
Roade Windfarm Limited (15)	Renewable energy generation	24.9%	24.9%
Burnhead Moss Wind Farm Limited (15)	Renewable energy generation	24.9%	24.9%
EDF Energy Renewables Holdings Limited (15)	Holding company	24.9%	24.9%
Barmoor Wind Power Limited (15)	Renewable energy generation	24.9%	24.9%
Park Spring Wind Farm Limited (15)	Renewable energy generation	24.9%	24.9%
Corriemoillie Windfarm Limited (15)	Renewable energy generation	24.9%	24.9%
Dorenell Windfarm Limited (15)	Renewable energy generation	24.9%	24.9%
Beck Burn Windfarm Limited (15)	Renewable energy generation	24.9%	24.9%
Pearie Law Windfarm Limited (15)	Renewable energy generation	24.9%	24.9%
Cemmaes Windfarm Limited (15)	Renewable energy generation	24.9%	24.9%
Llangwryfon Windfarm Limited (15)	Renewable energy generation	24.9%	24.9%
Great Orton Windfarm II Limited (15)	Renewable energy generation	24.9%	24.9%

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**9 Investment in subsidiary undertakings (continued)**

High Hedley Hope Wind Limited (15)	Renewable energy generation	24.9%	24.9%
First Windfarm Holdings Limited (15)	Holding company	49%	49%
Stranoch Windfarm Limited (15)	Renewable energy generation	49%	49%
Red Tile Wind Limited (15)	Renewable energy generation	49%	49%
Round 3 Isle of Wight Limited (15)	Renewable energy generation	24.9%	49%
Kirkheaton Wind Limited (15)	Renewable energy generation	24.9%	24.9%
EDF ER Development Limited (15)	Renewable energy generation	49%	49%
South Clare Windfarm Limited (15)	Renewable energy generation	49%	49%
Mosscastle Windfarm Limited (15)	Renewable energy generation	49%	49%
EDF ER Nominee Limited (15)	Renewable energy generation	49%	49%
Camilty Windfarm Limited (15)	Renewable energy generation	49%	49%
Cloich Windfarm Limited (15)	Renewable energy generation	49%	49%
Healthland Windfarm Limited (15)	Renewable energy generation	49%	49%
Newcastleton Windfarm Limited (15)	Renewable energy generation	49%	49%
The Mosses Windfarm Limited (15)	Renewable energy generation	49%	49%
Tinnisburn Windfarm Limited (15)	Renewable energy generation	49%	49%
Wauchope Windfarm Limited (15)	Renewable energy generation	49%	49%
West Benhar Windfarm Limited (15)	Renewable energy generation	49%	49%
Camilty Windfarm Partnership LLP (15)	Renewable energy generation	49%	49%
Cloich Windfarm Partnership LLP (15)	Renewable energy generation	49%	49%
Healthland Windfarm Partnership LLP (15)	Renewable energy generation	49%	49%

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**9 Investment in subsidiary undertakings (continued)**

Newcastleton Windfarm Partnership LLP (15)	Renewable energy generation	49%	49%
The Mosses Windfarm Partnership LLP (15)	Renewable energy generation	49%	49%
Tinnisburn Windfarm Partnership LLP (15)	Renewable energy generation	49%	49%
Wauchope Windfarm Partnership LLP (15)	Renewable energy generation	49%	49%
West Benhar Windfarm Partnership LLP (15)	Renewable energy generation	49%	49%
EDF Renewables Ireland Ltd (15)	Renewable energy generation	49%	49%
EDF Energy Services Limited	Development of generation and supply	50%/49%	50%/49%
The Barkantine Heat and Power Company Limited (7)	Generation and supply of heat and electricity	50%/49%	50%/49%
ESSCI Limited (7)	Development of generation and supply	50%/49%	50%/49%
ESSCI Engineering Services Limited (7)	Development of generation and supply	50%/49%	50%/49%
Imtech Engineering Services North Ltd (9)	Development of generation and supply	50%/49%	50%/49%
Imtech Engineering Services Central Ltd (8)	Development of generation and supply	50%/49%	50%/49%
Imtech Engineering Services London and South Ltd (7)	Development of generation and supply	50%/49%	50%/49%
Imtech Aqua Ltd (10)	Development of generation and supply	50%/49%	50%/49%
Imtech Aqua Building Services Ltd (10)	Development of generation and supply	50%/49%	50%/49%
Imtech Aqua Controls Ltd (10)	Development of generation and supply	50%/49%	50%/49%

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**9 Investment in subsidiary undertakings (continued)**

Imtech Low Carbon Solutions Ltd (10)	Development of generation and supply	50%/49%	50%/49%
ESSCI Technical Facilities Management Limited (7)	Development of generation and supply	50%/49%	50%/49%
Inviron Holdings Limited (11)	Holding company	50%/49%	50%/49%
Imtech Inviron Limited (11)	Development of generation and supply	50%/49%	50%/49%
Inviron Property Limited (11)	Development of generation and supply	50%/49%	50%/49%
Imtech Aqua Maintenance Ltd (11)	Development of generation and supply	50%/49%	50%/49%
ESSCI Technical Services Limited (7)	Development of generation and supply	50%/49%	50%/49%
Capula Group Limited (12)	Development of generation and supply	50%/49%	50%/49%
Capula Limited (12)	Development of generation and supply	50%/49%	50%/49%
ESSCI Ireland Limited (7)	Development of generation and supply	50%/49%	50%/49%
Suir Engineering Limited (13)	Development of generation and supply	50%/49%	50%/49%
Suir Engineering Sweden AB (Sweden) (13)	Development of generation and supply	50%/49%	50%/49%
Imtech Suir Qatar LLC (Qatar)	Development of generation and supply	50%/49%	50%/49%
Breathe Energy Ltd (14)	Development of generation and supply	50%/49%	50%/49%
Breathe Asset Management Services Ltd (14)	Management of energy assets	50%/49%	50%/49%
Bradwell Power Holding Company Limited (5)	Holding company	33.5%	33.5%



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**9 Investment in subsidiary undertakings (continued)**

Bradwell Power Generation Company Limited (5)	Development of generation and supply	33.5%	33.5%
General Nuclear System Limited (5)	Development of generation and supply	33.5%	33.5%

\*All associates are indirectly held.

- (1) Registered Address: The Exchange, 5 Bank Street, Bury, Lancashire, England, BL9 0DN
- (2) Registered Address: EDF Energy, Gso Business Park, East Kilbride, Scotland, G74 5PG
- (3) Registered Address: Squire Patton Boggs (UK) Llp (Ref:Csu) Rutland House, 148 Edmund Street, Birmingham, West Midlands, B3 2JR
- (4) Registered Address: 27-28 Eastcastle Street, London, England, W1W 8DH
- (5) Registered Address: 5th Floor Rex House, 4-12 Lower Regent Street, London, United Kingdom, SW1Y 4PE
- (6) Registered Address: Atria One, Level 7 144 Morrison Street, Edinburgh, Scotland, EH3 8EX
- (7) Registered Address: Twenty, Kingston Road, Staines-Upon-Thames, England, TW18 4LG
- (8) Registered Address: G&H House, Hooton Street, Carlton Road, Nottingham, NG3 5GL
- (9) Registered Address: Calder House, St Georges Park Kirkham, Preston, Lancashire, PR4 2DZ
- (10) Registered Address: Aqua House, Rose & Crown Road, Swavesey, Cambridge, CB24 4RB
- (11) Registered Address: 3100 Park Square, Solihull Parkway Birmingham, Business Park Birmingham, B37 7YN
- (12) Registered Address: Orion House, Unit 10 Walton Industrial Estate, Stone, Staffordshire, ST15 0LT
- (13) Registered Address: Hipley House, Woking, Hipley Street, GU22 9LQ
- (14) Registered Address: 13a, Tottenham Mews, London, England, W1T 4AQ
- (15) Registered Address: Alexander House 1 Mandarin Road, Rainton Bridge Business Park, Houghton Le Spring, Sunderland, England DH4 5RA
- (16) Registered Address: Floor 0, 1 Windmill Lane, Co. Dublin, Dublin, D02f206, Ireland

Unless stated otherwise, the registered address of the subsidiary undertakings listed above is 90 Whitfield Street, London, W1T 4EZ.

The associates listed above are incorporated in the United Kingdom, except for EDF Energy Renewables Ireland that is incorporated in Ireland.

**10 Financial assets**

	2020	2019
	€ m	€ m
Loan receivable	23	-

In 2020, an amount of €22.5m was advanced to EDF Energy Holdings Limited at EURIBOR plus 1.50% and matures on 29 January 2022.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**11 Derivative financial instruments**

	Carrying value		Fair value	
	2020	2019	2020	2019
	€ m	€ m	€ m	€ m
Fair Value of cross currency swap inceptioned on June 2016 (i)	-	123	-	123
Fair Value of cross currency swap inceptioned on June 2017 (ii)	9	(25)	9	(25)
Fair Value of cross currency swap inceptioned on June 2018 (iii)	29	(60)	29	(60)
Fair Value of cross currency swap inceptioned on June 2019 (iv)	3	(173)	3	(173)
Fair Value of cross currency swap inceptioned on June 2020 (v)	(46)	-	(46)	-
Cumulative (credit)/debit value adjusted as at 31st December	4	4	4	4
	<u>(1)</u>	<u>(131)</u>	<u>(1)</u>	<u>(131)</u>

**Derivative financial instruments accounted for at fair value through P/L:**

	Carrying value		Fair value	
	2020	2019	2020	2019
	€ m	€ m	€ m	€ m
Foreign currency forward contracts	-	(2)	-	(2)

	2020			2019		
	Current	Non Current	Total	Current	Non Current	Total
Derivative Assets	9	32	41	-	123	123
Derivative Liabilities	-	(42)	(42)	(2)	(254)	(256)
	<u>9</u>	<u>(10)</u>	<u>(1)</u>	<u>(2)</u>	<u>(131)</u>	<u>(133)</u>

**EDF ENERGY (UK) LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**11 Derivative financial instruments (continued)**

*Valuation methods and assumptions*

(i) The June 2016 swap matured and settled in June 2020.

(ii) The June 2017 swap was entered into with a maturity of June 2021. At inception, these instruments were designated as a fair value hedge of some tranches of the underlying sterling investment. The notional value of the paid leg is €602m (2019: €602m), accruing interest income at 6 month EURIBOR. The notional value of the received leg is £533m (2019: £533m), accruing interest cost at a 6 month LIBOR +0.2500%.

(iii) The June 2018 swap was entered into with a maturity of June 2022. At inception, these instruments were designated as a fair value hedge of some tranches of the underlying sterling investment. The notional value of the paid leg is €1,611m (2019: €1,611m), accruing interest income at 6 month EURIBOR. The notional value of the received leg is £1,420m (2019: £1,420m), accruing interest cost at a 6 month LIBOR +0.2000%.

(iv) The June 2019 swap was entered into with a maturity of June 2023. At inception, these instruments were designated as a fair value hedge of some tranches of the underlying sterling investment. The notional value of the paid leg is €3,299m (2019: €3,299m), accruing interest income at 6 month EURIBOR. The notional value of the received leg is £2,950m (2019: £2,950m), accruing interest cost at a 6 month LIBOR +0.22426%.

(v) The June 2020 swap was entered into with a maturity of June 2024. At inception, these instruments were designated as a fair value hedge of some tranches of the underlying sterling investment. The notional value of the paid leg is €3,971m (2019: €nil), accruing interest income at 6 month EURIBOR. The notional value of the received leg is £3,597m (2019: £nil), accruing interest cost at a 6 month LIBOR +0.14346%.

The net interest impact on the above cross currency swaps is recognised in "Interest on cross currency swaps" in note 5.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**12 Deferred tax**

The following are the major deferred tax (liabilities) and assets recognised by the Company and movements thereon during the current and prior reporting period:

	<b>Losses</b>	<b>Other</b>	<b>Total</b>
	<b>€ m</b>	<b>€ m</b>	<b>€ m</b>
<b>At 31 December 2018</b>	8	-	8
Credit/(charge) to income:			
- current year	-	-	-
- adjustments in respect of previous years' reported tax charges	(8)	-	(8)
<b>At 31 December 2019</b>	-	-	-
Credit/(charge) to income:			
- current year	-	7	7
- adjustments in respect of previous years' reported tax charges	-	4	4
<b>At 31 December 2020</b>	<u>-</u>	<u>11</u>	<u>11</u>

The Group has deductible temporary difference in relation to corporate interest restriction of €58m (2019: €39m). This gives rise to a deferred tax asset of €11m (2019: €7m). Previously this was not recognised, however the company now forecasts that the deferred tax asset will be utilised and hence is now recognising the asset.

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	<b>2020</b>	<b>2019</b>
	<b>€ m</b>	<b>€ m</b>
Deferred tax assets	11	-
Deferred tax liabilities	-	-
<b>At 31 December</b>	<u>11</u>	<u>-</u>

**13 Cash and cash equivalents**

	<b>2020</b>	<b>2019</b>
	<b>€ m</b>	<b>€ m</b>
Cash pooling with Group Companies	<u>21</u>	<u>32</u>

**EDF ENERGY (UK) LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**14 Other liabilities**

	<b>2020</b>	<b>2019</b>
	<b>€ m</b>	<b>€ m</b>
Accruals	<u>44</u>	<u>44</u>

**15 Borrowings**

	<b>2020</b>	<b>2019</b>
	<b>€ m</b>	<b>€ m</b>
<b>Non-current loans and borrowings</b>		
€880m 3.31% Bonds due 2023	880	880
€975m 4.25% Bonds due 2022	975	975
EDF IG Loan, original 2013 drawdown, 4.3%	789	789
EDF IG Loan - 2014 Tranche A, 2.4%	850	850
EDF IG Loan - 2014 Tranche B, 2.3%	440	440
EDF IG Loan - 2014 Tranche C, 2.1%	310	310
	<u>4,244</u>	<u>4,244</u>

The two bonds listed in the table above were issued to EDF IG, a subsidiary of EDF Group, on 30 June 2009. Both bonds were originally issued for a notional principal amount of € 850m and scheduled to mature on 29 June 2012 and 29 June 2013. The bond which matured on 29 June 2012 was extended to 29 June 2022 at an annual coupon rate of 4.249% and the nominal amount of the bond was increased by €125m to €975m. The bond which matured on 29 June 2013 was extended to 29 June 2023 at an annual coupon rate of 3.31% and the nominal amount of the bond was increased by €30m to €880m. All bonds were issued at par.

In 2014, a €1,600m EDF IG loan facility was drawn down in three tranches; A, B, and C. Tranche A (€850m, 2.4%) was drawn to meet a €850m, 4.72% bond which matured in 2014. Tranches B and C have balances of €440m and €310m and interest rates of 2.3% and 2.1% respectively. There have been no movements in this loan in the current year.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**16 Share capital**

**Allotted, called up and fully paid shares**

	No. m	2020 € m	No. m	2019 € m
Ordinary shares of 1 each	<u>18,661</u>	<u>18,661</u>	<u>15,418</u>	<u>15,418</u>

The Company has one class of Ordinary shares which carry no right to fixed income.

**New shares allotted**

In 2020, further equity injections of €3,046m were received from EDF International to meet cash calls associated with the build cost of HPC. Share capital of €197m was issued along with share premium of €138m to transfer EDF Development Company to EDF Energy Holdings Limited.

**Foreign currency translation reserve**

In 2009, the functional currency of the Company was changed from Pound sterling to Euro due to the ongoing operational cashflows of the Company being denominated in Euros. The translation of the assets, liabilities and equity resulted in the creation of the foreign currency translation reserve.

**Re - denomination reserve**

In 2011, 2,542,678,753 ordinary shares of £1 each in the company were redenominated in accordance with section 622, Companies Act 2006 so that the fixed nominal value of each share shall instead be denominated in Euros; the conversion of the nominal value into euros created a Re - Denomination reserve.

**17 Related party transactions**

The Company has taken advantage of the exemption in FRS 101 Reduced Disclosure Framework from disclosing transactions with other wholly owned members of the group, which would be required for disclosure under IAS 24.

Key management personnel for the Company are the Directors of the Company. Please refer to note 7 for details of their remuneration. There are no other transactions with key management personnel during the year (2019: none).

**EDF ENERGY (UK) LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**18 Parent undertaking and controlling party**

EDF International SAS ("EDFI") holds a 100% interest in the Company and is considered to be the immediate parent company. EDFI is the smallest group for which consolidated financial statements are prepared. Copies of that company's consolidated financial statements may be obtained from the registered address at EDF International SAS, 22-30 Avenue de Wagram, 75832, Paris, Cedex 08, France.

At 31 December 2020, 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 the registered address at Électricité de France SA, 22-30 Avenue de Wagram, 75382, Paris, Cedex 08, France.

**19 Post balance sheet events**

Changes in tax rate

In the March 2021 Budget it was announced that legislation will be introduced in Finance Bill 2021 to increase the main rate of UK corporation tax from 19% to 25%, effective 1 April 2023. As substantive enactment is after the balance sheet date, deferred tax balances as at 31 December 2020 continue to be measured at a rate of 19%. The company is in the process of assessing the full impact of this announcement, but if the amended tax rate had been used, it is possible that the deferred tax liability would be materially higher.