51° LIMITED

Registered Number 4184523

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2007

CONTENTS

Page:

Directors

Humphrey A E Cadoux-Hudson
Laurent Ferrari

Company Secretary

Robert Ian Higson

Auditors

Deloitte & Touche LLP
London

Registered Office

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London
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DIRECTOR'S REPORT

The Director presents his report and financial statements for the year ended 31 December 2007

Principal activity and review of the business

The principal activity of the Company was that of a telecommunications carrier and solutions provider The Company sold the telecommunication network in April 2007 The Company has been non-trading from this date and will continue to be non-trading for the foreseeable future

Results and dividends

The loss for the year, after taxation, amounted to £7,329,000 (2006 loss £680,000) Profit before tax for the year amounted to £389,000 (2006 loss £1,123,000) The Directors do not recommend payment of a dividend (2006 £nil)

EDF Energy plc manages the Company's operations on a Group basis For this reason and the non-trading nature of the Company, the Company's Director believes that further key performance indicators of 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 Group's Annual Report which does not form part of this Report

Directors and their interests

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

Humphrey A E Cadoux-Hudson	
Paul Cuttill	(resigned 10 June 2008)
Laurent Ferrari	(appointed 21 July 2008)

Neither of the Directors had or has a service contract with the Company They were both employed by the parent company, EDF Energy plc, and had service contracts with that company during the year

There were no contracts of significance during or at the end of the financial year in which a Director of the Company was materially interested

None of the Directors who held office at the end of the financial year had any interests in the shares of the Company or any other Group company required to be disclosed under the Companies Act 1985

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

Creditors payment policy

The Company's current policy concerning the payment of its trade creditors and other suppliers is to

- agree the terms of payment with those creditors/suppliers when agreeing the terms of each transaction,
- ensure that those creditors/suppliers were made aware of the terms of payment by inclusion of the relevant terms in contracts, and
- pay in accordance with its contractual and other legal obligations

The payment policy applies to all payments to creditors/suppliers for revenue and capital supplies of goods and services without exception At 31 December 2007, the Company had an average of nil days (2006 nil days) purchases outstanding in its trade creditors

DIRECTOR'S REPORT Continued

Financial risk management

The Company is exposed to financial risk through its financial assets and liabilities The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk

Due to the nature of the Company's business and the assets and liabilities contained within the Company's balance sheet the only financial risks the Director considers relevant to this Company are credit risk and liquidity risk The Company's exposure to these risks is reduced as it is a 100% subsidiary of the EDF Energy Group of companies Credit risk is mitigated by the nature of the debtor balances owed, with these due from other Group companies who are able to repay these if required and liquidity risk is mitigated by the financial support over the overdraft given by EDF Energy plc, a fellow Group company

The Group's risks are discussed in the Group's Annual Report which does not form part of this report

The Company is not exposed to any significant currency, price or interest rate risk

Disclosure of information to Auditors

The 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 Auditors are unaware, and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

Auditors

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors A resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

By order of the Board

Robert Ian Higson
Company Secretary
Date 27th October 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

United Kingdom 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) The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss 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 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985 They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 51° LIMITED

We have audited the financial statements of 51° Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 13 These financial statements have been prepared under the accounting policies set out therein

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985 Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 We also report to you whether in our opinion the information given in the Director's Report is consistent with the financial statements

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Director's Report is consistent with the financial statements

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 51° LIMITED (Continued)

Emphasis of matter – financial statements prepared on a basis other than that of a going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 1 of the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London
Date 27 October 2008

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 £000	2006 £000
Turnover	2	**162**	519
Cost of sales		**(122)**	(540)
Gross profit/(loss)		**40**	(21)
Distribution expenses		**(191)**	(613)
Administrative credit/(expenses)		**70**	(489)
Operating profit/(loss) on ordinary activities before taxation	3	**(81)**	(1,123)
Profit on disposal of fixed assets		**470**	-
Profit/(loss) on ordinary activities before taxation		**389**	(1,123)
Tax on profit/(loss) on ordinary activities	6	**(7,718)**	443
Retained loss for the financial year	11	**(7,329)**	(680)

All results are from discontinued operations in the current year The telecommunications network was sold on 12 April 2007 There were no recognised gains or losses in either year other than the loss for that year and accordingly no statement of total recognised gains or losses has been presented

BALANCE SHEET
AT 31 DECEMBER 2007

	Notes	**2007 £000**	2006 £000
Current assets			
Debtors	*7*	**43**	8,034
Total current assets		**43**	8,034
Creditors: amounts falling due within one year	*8*	**(29,209)**	(29,871)
Net current liabilities.		**(29,166)**	(21,837)
Capital and reserves			
Called up share capital	*11*	**-**	-
Profit and loss account	*11*	**(29,166)**	(21,837)
Equity shareholder's deficit	*11*	**(29,166)**	(21,837)

The financial statements on pages 7 to 13 were approved by the Board of Directors on 27th October 2008 and were signed on its behalf by

Humphrey A E Cadoux-Hudson
Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

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 in accordance with applicable United Kingdom law and accounting standards

The Company sold the telecommunication network on the 12th April 2007 and hence, the Company was non-trading from this date and for the foreseeable future As required by FRS 18 'Accounting Policies', the Directors have prepared the financial statements on the basis that the Company is no longer a going concern No material adjustments arose as a result of ceasing to apply the going concern basis The carrying value of the telecommunication network at 31 December 2007 was £nil The Group operates a cash pooling arrangement, and on this basis, EDF Energy plc is contractually committed to guaranteeing the overdraft of 51° Limited

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 plc, whose consolidated financial statements include a cash flow statement and are publicly available (note 13)

Tangible fixed assets

The company does not have any fixed assets

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 revalued fixed assets only where there is a commitment to dispose of the revalued asset and the attributed gain can neither be rolled over or eliminated by capital losses, and

- deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted

Deferred tax is measured on an undiscounted basis

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation When a provision or change in a provision is recognised, an asset is also recognised when, and only when, the incurring of the present obligation recognised as a provision gives access to future economic benefits, otherwise the setting up of the provision is charged immediately to the profit and loss account If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability

NOTES TO THE FINANCIAL STATEMENTS Continued

2. Turnover

Turnover, which is stated net of value added tax, arises entirely in the United Kingdom and is attributable to the operations of the telecommunications carrier business Turnover is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses

3. Operating loss

In 2007 an amount of £5,000 (2006 £5,000) was paid to Deloitte & Touche LLP for audit services This charge was borne by another Group company in the current and prior year In 2007, amounts payable to Deloitte & Touche LLP by the Company in respect of non-audit services were £nil (2006 £nil)

There were no employees in the Company in the current year

4. Directors' emoluments

Directors are employees of EDF Energy plc and did not receive any remuneration for services to the Company during the year or the preceding year

5. Interest payable and similar charges

In the current and prior year, interest on the bank overdraft was borne by another Group company under cash pooling arrangements

NOTES TO THE FINANCIAL STATEMENTS Continued

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

(a) Analysis of tax charge/(credit) in the year

UK current tax

	2007 £000	2006 £000
UK corporation tax credit on loss for the year	-	(892)
Adjustment in respect of previous year	6,412	13
Total current tax charge/(credit) (note 6(b))	6,412	(879)

UK deferred tax

	2007 £000	2006 £000
Origination and reversal of timing differences	1,306	436
Total deferred tax charge for the year	1,306	436
Total tax charge/(credit) on profit/(loss) on ordinary activities	**7,718**	(443)

(b) Factors affecting current tax for the year

	2007 £000	2006 £000
The tax assessed for the period is higher (2006 lower) than the standard rate of corporation tax in the UK (30%)		
The differences are explained below		
Profit / (loss) on ordinary activities before tax	389	(1,123)
Tax on profit/(loss) on ordinary activities multiplied by standard UK of corporation tax of 30% (2006 30%)	117	(337)
Effect of		
Capital allowances in excess of depreciation	(1,306)	(436)
Permanent differences	(160)	(119)
Adjustment in respect of previous years	6,412	13
Group relief surrendered at nil charge	1,349	-
Current tax charge/(credit) for the period	6,412	(879)

7. Debtors

	2007 £000	2006 £000
Trade debtors	10	275
Other debtors and prepayments	33	41
Corporation tax (Group payments)	-	6,412
Deferred tax (note 9)	-	1,306
	43	8,034

NOTES TO THE FINANCIAL STATEMENTS Continued

8. Creditors: amounts falling due within one year

	2007 £000	2006 £000
Bank overdraft	**27,858**	29,459
Amounts owed to Group companies	**1,274**	144
Accruals and deferred income	**77**	268
	29,209	29,871

9. Deferred tax

	At 1 January 2007 £000	Arising during the year £000	At 31 December 2007 £000
Deferred tax asset (note 7)	1,306	(1,306)	-

Deferred taxation provided in the financial statements is as follows

	2007 £000	2006 £000
Fixed asset timing differences	-	1,306
Total deferred tax	-	1,306

10. Share capital

Authorised

	2007 Number	2006 Number	2007 £	2006 £
Ordinary shares of £1 each	**100**	100	**100**	100

Allotted, called up and fully paid

	2007 Number	2006 Number	2006 £	2005 £
Ordinary shares of £1 each	**1**	1	**1**	1

NOTES TO THE FINANCIAL STATEMENTS Continued

11. Reconciliation of shareholder's deficit and movement on reserves

	Share capital	Profit and loss account	**Total shareholder's deficit**
	£000	£000	**£000**
As at 1 January 2006	-	(21,157)	**(21,157)**
Loss for the financial year	-	(680)	**(680)**
As at 1 January 2007	-	(21,837)	**(21,837)**
Loss for the financial year	-	(7,329)	**(7,329)**
At 31 December 2007	-	**(29,166)**	**(29,166)**

12. Related parties

In accordance with FRS 8 'Related parties disclosures', the Company is exempt from disclosing transactions with entities that are part of the Group or investees of the Group qualifying as related parties, as it is a wholly-owned subsidiary of a parent which prepares consolidated accounts which are publicly available

13. Parent undertaking and controlling party

EDF Energy (Enterprises) Limited holds a 100% interest in 51° Limited and is considered to be the immediate parent company EDF Energy plc is the smallest group for which consolidated financial statements are prepared which include the results of the Company A copy of the EDF Energy Plc's consolidated financial statements may be obtained from the registered office shown on page 1

At 31 December 2007, Electricité de France SA (EDF), a company incorporated in France, is regarded by the Director as the Company's ultimate parent company and controlling party This is the largest group for which consolidated financial statements are prepared Copies of that Company's consolidated financial statements may be obtained from Electricité de France SA, 22-30 Avenue de Wagram, 75382, Paris, Cedex 08, France