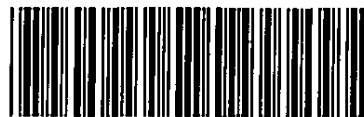


LAKE ACQUISITIONS LIMITED
Registered Number 06612465
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2012

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Directors

Humphrey A E Cadoux-Hudson
Vincent de Rivaz
Philippe Huet
V Mark Hanafin
Nicholas L Luff
Simone Rossi
Stéphane Tortajada

Company Secretary

Guido Santi

Auditor

Deloitte LLP
2 New Street Square
London
EC4A 3BZ

Registered Office

40 Grosvenor Place
Victoria
London
SW1X 7EN

DIRECTORS' REPORT

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

Principal activities

The Company's principal activity during the year continued to be the holding company for the Nuclear Generation group of companies. It will continue with this activity for the foreseeable future.

Business review

The profit for the year, before taxation, amounted to £510m (2011 £643m) and after taxation to a profit of £510m (2011 £644m). A dividend of £510m was paid during the year (2011 £600m). The profit in the year was primarily of dividend income received of £510m (2011 £645m).

EDF Energy Holdings Limited (the "Group") manages the Company's operations on a group basis. For this reason and the fact that the Company is non-trading, the Company's Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the Group which includes the Company is discussed in the EDF Energy Holdings Limited annual report, which does not form part of this report.

Going concern

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

Risk management

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

Liquidity risk is the risk that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The Company's exposure to liquidity risk is reduced by its borrowing facilities in place provided by its shareholders.

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

The future prospects of the Company are dependent on the performance of its investment in subsidiaries. The investment in the EDF Energy Nuclear Generation Group Ltd has been reviewed and the carrying value is considered to be recoverable based on forecast performance of the EDF Energy Nuclear Generation Group Ltd group of companies.

DIRECTORS' REPORT continued

Directors

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

Humphrey A E Cadoux-Hudson
Vincent de Rivaz
François Driesen (resigned 11 March 2013)
V Mark Hanafin
Nicholas L Luff
Simone Rossi
Stéphane Tortajada
Philippe Huet (appointed 11 March 2013)

No Director is employed by or has a service contract with the Company. Nicholas L Luff and V Mark Hanafin are employed by and have service contracts with Centrica plc. The remaining Directors are employed by and have service contracts with subsidiaries of the ultimate parent company, EDF SA.

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

Disclosure of information to Auditors

Each of the persons who is a director at the date of approval of this annual report confirms that

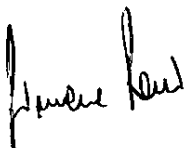
- so far as the Director is aware, there is no relevant audit information of which the Company's Auditors are unaware, and
- the Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Auditors

It is noted that Deloitte LLP as appointed by the members on 29 April 2009 are deemed to be re-appointed as the auditors to the Company for the financial year ending 31 December 2012 in accordance with the provisions of Section 487(2) of the Companies Act 2006 and that the Directors have been authorised to fix the remuneration of the auditors.

By order of the Board



Simone Rossi
Director
Date 27 June 2013

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAKE ACQUISITIONS LIMITED

We have audited the financial statements of Lake Acquisitions Limited for the year ended 31 December 2012 which comprise the Profit and Loss account, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Bevan Whitehead (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London, United Kingdom

Date 27 June 2013

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

	<i>Note</i>	2012 £m	2011 £m
Investment income	4	512	647
Interest payable and similar charges	5	(2)	(4)
Profit on ordinary activities before taxation		510	643
Tax on profit on ordinary activities	6	-	1
Profit for the financial year		510	644

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

There were no recognised gains or losses other than the profit in the current and prior year. Accordingly no statement of total recognised gains and losses has been presented.

**BALANCE SHEET
AT 31 DECEMBER 2012**

	<i>Note</i>	2012 £m	2011 £m
Fixed assets			
Investments in subsidiary undertakings	7	12,446	12,465
Current assets			
Debtors amounts falling due within one year	8	-	2
Cash at bank and in hand		2	4
Creditors amounts falling due within one year	9	(1)	(5)
Net current assets		1	1
Total assets less current liabilities		12,447	12,466
Creditors: amounts falling due after more than one year	10	(117)	(136)
Net assets		12,330	12,330
Capital and reserves			
Called up share capital	12	1,115	1,115
Share premium	14	-	10,999
Profit and loss account	14	11,215	216
Shareholders' funds		12,330	12,330

The financial statements of Lake Acquisitions Limited, registered number 06612465, on pages 6 to 15 were approved by the Board of Directors on 27 June 2013 and were signed on its behalf by


Simone Rossi
Director

CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2012

	<i>Note</i>	2012 £m	2011 £m
Net cash flow from operating activities	11	-	-
Returns on investments and servicing of finance			
Dividends received		510	645
Interest income		4	2
Interest paid		(6)	-
		508	647
Equity dividends paid		(510)	(600)
Cash inflow before financing		(2)	47
Financing			
Decrease in amounts owed to other group companies		-	(44)
		-	(44)
Change in cash during the year		(2)	3

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

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

Basis of accounting

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

Going concern

As set out in the Directors' Report, after making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Consolidation

The Company is exempt from preparing consolidated accounts as it is a member of a group, headed by Electricité de France SA whose consolidated financial statements are publicly available (see note 17).

Investments

Fixed asset investments are shown at cost less any provision for impairment. Current asset investments are stated at the lower of cost and net realisable value. For acquisitions of investment where there is contingent consideration, it is included in the cost of acquisition at fair value if it is considered probable to be paid and can be reliably measured. If this estimate is revised in subsequent periods any movements are recognised in the cost of the investment.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred at the balance sheet date, with the following exceptions:

- provision is made for gains on disposal of fixed assets that have been rolled over into replacement assets only where, at the balance sheet date, there is a commitment to dispose of the replacement assets with no likely subsequent rollover or available capital losses,
- provision is made for gains on re-valued fixed assets only where there is a commitment to dispose of the re-valued assets and the attributable gain can neither be rolled over nor eliminated by capital losses, and
- deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax is measured on an undiscounted basis.

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

NOTES TO THE FINANCIAL STATEMENTS continued

1 Accounting policies continued

Finance charges

Finance charges are accounted for on an accruals basis in the profit and loss account based upon contracted rates

Contingent consideration

The contingent consideration relates to the contingent value rights notes ("CVR") which were issued to Barclays Bank plc who in turn issued Nuclear Power Notes to subscribing shareholders of EDF Energy Nuclear Generation Group Ltd. They are measured at fair value, with any resulting gain or loss recognised against the cost of the investment in subsidiary undertakings

2 Operating profit

In 2012, the audit fee of £12,000 (2011 £12,000) was payable to Deloitte LLP and was borne by another group company. The Company incurred no non-audit fees (2011 £nil)

The Company had no employees in 2012 (2011 none)

3. Directors' emoluments

All Directors are employees of associated EDF companies or Centrica plc

The emoluments of the Directors are not paid to them in their capacity as Directors of the Company. Accordingly, no details in respect of their emoluments have been included in these financial statements

Humphrey Cadoux-Hudson, Vincent de Rivaz, and Simone Rossi are paid by associated EDF companies for services to the whole Group. Humphrey Cadoux-Hudson's emoluments are included within NNB Generation Company Limited's financial statements for the year ended 31 December 2012. Vincent de Rivaz and Simone Rossi's emoluments are included within EDF Energy Holdings Limited's financial statements for the year ended 31 December 2012

Mark Hanafin and Nicholas Luff are paid by Centrica plc for their services and their emoluments can be found in Centrica plc's annual report and financial statements for the year ended 31 December 2012

4. Investment income

	2012 £m	2011 £m
Dividends from subsidiary undertakings	510	645
Interest receivable from group companies	2	2
	512	647

5. Interest payable and similar charges

	2012 £m	2011 £m
Interest payable to group companies	2	4

NOTES TO THE FINANCIAL STATEMENTS continued

6. Tax on profit on ordinary activities

(a) Analysis of tax charge in the year

UK current tax	2012 £m	2011 £m
UK corporation tax charge/(credit) on profit for the year	-	(1)

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

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

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

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

(b) Factors affecting tax charge for the year

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

The differences are explained below:

	2012 £m	2011 £m
Profit on ordinary activities before tax	510	643
Tax on profit on ordinary activities at standard UK rate of corporation tax of 24.5% (2011: 26.5%)	125	170
Effect of Non-taxable income	(125)	(171)
Current tax credit for the year	-	(1)

NOTES TO THE FINANCIAL STATEMENTS continued

7. Investments in subsidiary undertakings

Cost and book value	Shares £m
At 1 January 2012	12,465
Change in value of CVR instrument	(19)
At 31 December 2012	12,446

The change in value of CVR instrument is based on the change in the quoted price of the Nuclear Power Notes which are listed on the PLUS market. At 31 December 2012 the notes were quoted at 30p each (2011 35p each). Any change in the quoted price of the note is adjusted against the carrying value of the investment and the contingent consideration creditor (see note 10).

The principal subsidiary undertakings at 31 December 2012, 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	Proportion of ownership interest and voting power %	Principal activity
British Energy Bond Finance plc *	100%	Financial activities
British Energy Finance Limited *	100%	Financial activities
British Energy Generation (UK) Limited *	100%	Holding company
EDF Energy Nuclear Generation Limited *	100%	Power generation
EDF Energy Nuclear Generation Group Limited	100%	Holding company
British Energy Holdings Limited * (Canada)	100%	Holding company
British Energy International Holdings Limited *	100%	Holding company
British Energy Investment Limited *	100%	Investment company
British Energy Limited *	100%	Holding company
British Energy Renewables Limited *	100%	Renewable power generation
British Energy Trading and Sales Limited *	100%	Sale of electricity
British Energy Trading Services Limited *	100%	Sale of electricity
British Energy Technical Services Limited *	100%	Sale of electricity
Eggborough Power (Holdings) Limited*	100%	Holding company
Lochside Insurance Limited * (Guernsey)	100%	Insurance company
Northern Power Limited*	100%	Power generation

* Indirectly held

NOTES TO THE FINANCIAL STATEMENTS continued

7. Investments in subsidiary undertakings continued

The UK Government owns a single special rights redeemable preference share of £1 in EDF Energy Nuclear Generation Group Ltd. The Special Share is redeemable at par at any time after 30 September 2006 at the option of the Secretary of State, after consulting EDF Energy Nuclear Generation Group Ltd. This share, which may only be held by and transferred to one or more of Her Majesty's Secretaries of State, another Minister of the Crown, the Solicitor for the affairs of Her Majesty's Treasury or any other person acting on behalf of the Crown, does not carry any rights to vote at general meetings, but entitles the holder to attend and speak at such meetings. The Special Share confers no rights to participate in the capital or profits of EDF Energy Nuclear Generation Group Ltd beyond its nominal value. The consent of the holder of the Special Share is required for certain matters including the alteration or removal of the provisions in EDF Energy Nuclear Generation Group Ltd's Articles of Association relating to the Special Share and to the limitations on shareholdings.

In addition, consent of the holder of the Special Share is required in relation to, amongst others, certain amendments to the Articles of Association of British Energy Bond Finance plc, British Energy Limited, EDF Energy Nuclear Generation Limited or British Energy Generation (UK) Limited, or a disposal by EDF Energy Nuclear Generation Group Ltd of its shares in these companies. However, the holder of the Special Share will only be entitled to withhold consent to such an amendment or disposal if, in the holder's opinion, the matter in question would be contrary to the interests of national security. The Articles of Association include full details of these restrictions.

8 Debtors: amounts falling due within one year

	2012 £m	2011 £m
Amounts owed by other Group companies	-	2

9. Creditors: amounts falling due within one year

	2012 £m	2011 £m
Amounts owed to other Group companies	1	5

No interest is paid on the amounts owed to other Group companies arising and they are unsecured.

10 Creditors: amounts falling due after more than one year

	2012 £m	2011 £m
Contingent consideration	117	136

NOTES TO THE FINANCIAL STATEMENTS continued

11. Notes to the cash flow statement

(a) Reconciliation of operating profit to net cash inflow from operating activities

	2012 £m	2011 £m
Operating profit	-	-
Increase in creditors	-	2
(Increase) in debtors	-	(2)
Net cash flow from operating activities	-	-

(b) Analysis of net cash flow

	At 1 January 2012 £m	Cash flow £m	At 31 December 2012 £m
Cash at bank and in hand	4	(2)	2
Net cash	4	(2)	2

12. Share capital

Allotted, called up and fully paid	2012 Number	2011 Number	2012 £m	2011 £m
Ordinary shares of £0.10 each	11,145,000,015	11,145,000,015	1,115	1,115

13 Dividends paid

	2012 £m	2011 £m
Ordinary dividends on equity shares - 4.6p (2011: 5.4p) per ordinary share	510	600

NOTES TO THE FINANCIAL STATEMENTS continued

14. Reconciliation of shareholders' funds

	Share capital £m	Share premium £m	Profit and loss account £m	Total shareholders' funds £m
At 1 January 2011	1,115	10,999	172	12,286
Profit for the year	-	-	644	644
Dividends paid	-	-	(600)	(600)
At 31 December 2011	1,115	10,999	216	12,330
Profit for the year	-	-	510	510
Dividends paid	-	-	(510)	(510)
Capital reduction	-	(10,999)	10,999	-
At 31 December 2012	1,115	-	11,215	12,330

On 17 July 2012, the Company undertook a capital reduction which resulted in £10,999m of share premium becoming distributable reserves

15 Other financial commitments

At the year end Lake Acquisitions Limited has guaranteed the availability of a £400m credit facility with a subsidiary company until September 2013, which can be extended by 12 months at the borrower's option. The Company has received a back to back facility from its shareholders to enable it to make this facility available.

At the year end Lake Acquisitions Limited has guaranteed the availability of a £325m credit facility with a subsidiary company (2011 £372m). The amount of this facility reduces annually until its expiration in 2022. The Company has received letters of support from its shareholders to support this facility.

16. Related parties

In the year interest of £2m was charged to a subsidiary undertaking (2011 £2m). This related to commitment fees on the credit facility available to subsidiary undertakings, see note 15 for further details.

During the year, interest of £2m was payable to its parent companies relating to commitment fees on the available facilities (2011 £4m).

At 31 December 2012, the Company was owed £nil by a subsidiary undertaking (2011 £1m) and owed £nil to its parent companies (2011 £4m).

17 Parent undertaking and controlling party

EDF Energy Holdings Limited holds an 80% interest in Lake Acquisitions Limited and is considered to be the immediate parent company. EDF Energy Holdings Limited is the smallest group for which consolidated financial statements are prepared, copies of which may be obtained from 40 Grosvenor Place, Victoria, London, SW1X 7EN.

At 31 December 2012, Electricité de France SA, a company incorporated in France, is regarded by the Directors as the Company's ultimate parent company and controlling party. This is the largest group for which consolidated financial statements are prepared. Copies of that company's consolidated financial statements may be obtained from Electricité de France SA, 22-30 Avenue de Wagram, 75382, Paris, Cedex 08, France.