NNB GENERATION COMPANY (SZC) LIMITED

REGISTERED NUMBER: 09284825

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

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Directors	Humphrey Cadoux-Hudson Yigang Cao Robert Holden Stuart Crooks Marie-Sylvie Collet Julia Pyke Alan Raymant Bertrand Michoud Frederic Mayoux
Company secretary	Claire Gooding
Auditor	Deloitte LLP Hill House 1 Little New Street London United Kingdom EC4A 3TR
Registered office	90 Whitfield Street London England W1T 4EZ

STRATEGIC REPORT

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

Principal activity

The principal activity of NNB Generation Company (SZC) Limited ("the Company") is the development of low carbon electricity generation facilities. This is to be achieved by the construction and operation of a nuclear power station.

The Company currently plans to build twin EPR Pressurised Water Reactors ("EPR") at Sizewell C, in Suffolk, UK. The plans are conditional on a robust investment framework being in place and Shareholder Board approval, Government and regulatory approvals.

It will continue with these activities for the foreseeable future.

Review of the business

The result for the year before taxation amounted to £nil (2019: profit of £61k) and the loss after taxation amounted to £23k (2019: profit of £49k).

Électricité de France (EDF) and China General Nuclear (CGN) signed the Sizewell C Project equity documents on 29 September 2016 alongside the HPC contracts, agreeing in principle to develop Sizewell C project in Suffolk, to build and operate two EPR reactors (3.2GW), until a final investment decision is made. Final investment decision (FID) will be taken assuming appropriate third-party funding has been secured.

From the development phase until the final investment decision, EDF's share is of 80% and CGN's share 20%. After the final investment decision, which is currently targeted around mid-2022, it is management's intention that other investors step in and that EDF will become a minority shareholder with pari passu rights.

The Sizewell C project development is based on a replication strategy from HPC and will be based on the same EPR technology. This key principle will enable benefitting from feedback and experience from HPC as well as a fully developed UK supply chain. The replication strategy and lessons learned should therefore lead to a significant decrease in costs as a result of lower construction costs combined with a lower risk profile.

In December 2020, UK Government published an Energy White Paper and a response to the Regulated Asset Base (RAB) for Nuclear consultation. The White Paper states that UK Government aims to bring at least one GW scale nuclear project to the point of FID by the end of this parliament. The White Paper was accompanied by a statement that the UK Government would enter negotiations with EDF on the construction of Sizewell C, subject to demonstrating value for money and obtaining relevant approvals. The RAB consultation response stated that the RAB model was a 'credible' funding option for new nuclear, also subject to demonstrating value for money and obtaining relevant approvals.

EDF is supportive of financing the project by a RAB mechanism, which is capping risk exposure to cost overruns and thus providing a reduced cost of capital linked to a lower risk level for investors, with income commencing during the construction. This financing model has never been implemented for projects of that scale before and therefore would be one of the largest ever equity issuance and project financing on the European scene. Securing the appropriate risk-sharing mechanism and ultimately the corresponding financing structure ahead of the Final Investment decision is therefore key for the project, the UK Government and the current shareholders.

STRATEGIC REPORT (CONTINUED)

Review of the business (continued)

The Sizewell C ("SZC") project development continues to make good progress. Key milestones have been reached in 2020 with the submission of the Development Consent Order ("DCO") application in May, an application for a Nuclear Site Licence ("NSL") in June and in December the publication by UK Government of the Energy White Paper and Regulated Asset Base (RAB) for Nuclear consultation response. The White Paper was accompanied by a statement that the UK Government would enter negotiations with EDF on the construction of Sizewell C. The White Paper states that UK Government aims to bring at least one GW scale nuclear project to the point of FID by the end of this parliament, with the RAB model deemed a 'credible' funding option subject to demonstrating value for money and obtaining relevant approvals in both cases. Positive interactions with UK Government have taken place on the development of a new funding model for SZC, which with the agreed replication strategy is anticipated to provide significant savings on the construction cost of Sizewell C relative to Hinkley Point C ("HPC").

Key performance indicators

To support the Company's overall objectives in relation to new nuclear, the Company sets key performance indicators relating to safety, schedule, expenditure, and high performing people.

Safety

The project is focused on delivering a safe plant for future operation with a key focus being to establish a secure acceptable safe design for a plant at Sizewell, replicating the UK EPR design being developed for the HPC project. All project activities are being established to ensure the delivery of safety in design and through procurement, manufacturing, and construction to commissioning, operation and decommissioning of the plant. The project has also continued to focus strongly on site safety throughout all activities. There have been zero (2019: zero) reportable injuries under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) reporting obligation and Total Recordable Incident Rate (TRIR) also remains at zero (2019: zero).

Schedule

SZC submitted its Development Consent Order in May 2020, however, due to the coronavirus pandemic, examination of the DCO by the Planning Inspectorate (PINS) was delayed. On 15th April 2021, the Planning Inspectorate (PINS) confirmed the start of the examination of the application for a Development Consent Order (DCO). The examination will run for six months, completing on 14 October 2021.

Expenditure

The total 2020 expenditure was £106m (2019: £66.1m), which was £10.3m favourable against the latest approved budget. The underspend of £10.3m is predominately deferred scope resulting from slower than anticipated progress within DCO, due to delay to the examination start date by the Planning Inspectorate, and slower Government engagement on the Income model.

High Performing People

The organisation transitioned into a project management structure with a clearer definition of roles and responsibilities. Engagement has also started with local skills partnerships to ensure SZC is in a good position to influence and play an active role in shaping the broader skills agenda in the region.

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.

The governance structure of the Company is designed to manage and mitigate risks. This covers all aspects of the Company's activities, economic or other.

STRATEGIC REPORT (CONTINUED)

Political and regulatory risk
Political risk arises in relation to public acceptance of building new nuclear power stations, and regulatory risk relates specifically to obtaining the relevant licences and consents to build, operate and decommission the Company's EPRs at its designated site. Management is engaged with local residents, regulators and politicians in addressing the safety needs, local impacts and the need to meet the current and future national energy demand.

Liquidity risk
In order to ensure that sufficient funds are available for ongoing developments, operations and future construction, the Company is financed by shareholder loans. These loans are classified as equity instruments, as the terms are such that interest payments are deferrable, there is no redemption date and the holder has no option to redeem the instrument. The Company's parent company, NNB Holding Company (SZC) Limited, is equity funded by its ultimate shareholders.

Credit risk
Credit risk is the financial cost of replacing contracts that fail to be performed due to a counterparty or supplier's default, or failure to deliver. The main risk to the Company is potential significant cost and time overruns due to insolvencies in the supply chain and/or suppliers unable to fulfil their contractual obligations due to financial constraints. This risk is managed through a credit risk management procedure that measures, monitors and mitigates credit risk. As the Company is in the pre-development phase of the EPR build, its exposure is currently limited.

Foreign currency risk
The Company's activities expose it to the financial risks of changes in foreign currency exchange rates because certain suppliers invoice in foreign currency. Presently these exposures are limited, leading to the Company buying currency as the need arises. Company-specific hedging strategies may be implemented as exposure increases during the construction phase.

Sizewell design risk
The Sizewell design philosophy is to replicate as much as is practicable of the HPC design, making adaptations as necessary for the site-specific aspects.

Site-specific issues are being addressed as part of the site-specific design and safety case development being undertaken by the Responsible Designer, EDF SA, for both HPC and Sizewell. The work being undertaken for HPC serves to establish a model for the Sizewell work, which should then be undertaken with greater certainty of outcome.

Investment case risk
The SZC project should avoid the 'first of a kind' costs incurred by HPC and benefit from the learning developed during the execution of the HPC project. This will generate economies in the design and construction works, although the savings will be partially offset by the 'know-how' payment due to HPC and the more challenging construction environment at Sizewell.

A preliminary SZC investment case has been developed which indicates that a satisfactory return on investment should be achievable. Discussions are taking place with UK Government to establish how an adequate revenue stream might be secured for the Sizewell project, and further work will be undertaken to refine the project cost estimates to improve the robustness of the investment case.

STRATEGIC REPORT (CONTINUED)

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 and services and the business rules and 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.

EDF Energy is committed to developing UK skills and is investing in UK skills and talent. However, the Company recognises the importance of being able to access necessary skills and talent of people from outside of the UK. Industry needs to be able to draw on skills and talent from the EU and beyond and this is especially relevant for the volume of construction workers required to complete construction of SZC. EDF Energy continues to monitor developments in respect of the future UK-EU immigration system and has engaged with the UK Government and other organisations such as the Confederation of British Industry and Energy UK on the topic.

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.

Going concern
The Company has been equity-funded since incorporation. Following completion and signature of the Shareholder Agreement in September 2016, both shareholders are obliged to act in accordance with the provisions of that Agreement in relation to the Cash Calls required to fund the Company. Cash Call is the term used to describe the process by which the Company requests funding from each shareholder.

For each Shareholder there are default mechanisms contained within the Agreement that will, in the event of a Cash Call default, ensure that alternative methods of funding are made available to the Company.

The continuation of the SZC Project is conditional on a robust investment framework being in place and Shareholder Board approval. These circumstances represent a material uncertainty that may cast significant doubt over the Company's ability to continue as a going concern, for which further detail is disclosed in note 2 to the financial statements. The recoverability of the balance of assets in the course of construction and discharge of liabilities relating to SZC at 31 December 2020 is dependent upon both the project achieving Final Investment Decision (FID) and the forecast profitability of SZC.

STRATEGIC REPORT (CONTINUED)

Going concern (continued)

After making enquiries and reviewing cash flow forecasts and available facilities for at least the next 12 months (including subsequent events), the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has the ability to draw on 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:

[redacted]

Frederic Mayoux
Chief Financial Officer

14 June 2021

DIRECTORS' REPORT

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

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

Directors

The Directors who held office during the year and to the date of this report were as follows:

Humphrey Cadoux-Hudson
Yigang Cao
Robert Holden
Stuart Crooks
Marie-Sylvie Collet
Patrick Pruvot (resigned 1 March 2021)
Julia Pyke
Alan Raymant
Bertrand Michoud
The following director was appointed after the year end:
Frederic Mayoux (appointed 1 March 2021)

The persons listed above are all Executive Directors, with the exception of Robert Holden, Marie-Sylvie Collet and Alan Raymant who are Non-Executive Directors.

In relation to the Non-Executive Directors, none had a service contract with the Company in the current or prior year. Yigang Cao, as CGN Executive Director, is employed by and has a service contract with subsidiaries of CGN, the ultimate parent of the minority shareholder in the Company. The remaining Executive Directors, as EDF Executive Directors, are employed by and have service contracts with subsidiaries of the ultimate parent company, EDF S.A. Details of Directors' remuneration is available in note 4.

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

Dividends

The Directors do not recommend payment of a dividend (2019: £nil).

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 9 and 11.

DIRECTORS' REPORT (CONTINUED)

Future developments

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

Directors liabilities

The Company has made qualifying third party indemnity provisions for the benefit of its Directors during the year and these 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 provisions of s.418 of the Companies Act 2006.

Reappointment of auditor

It is noted that Deloitte LLP as appointed by the members are deemed to be re-appointed as the auditors to the Company for the financial year ending 31 December 2021 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.

Approved by the Board and signed on its behalf by:

[redacted]

Frederic Mayoux
Chief Financial Officer

14 June 2021

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), including 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 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 NNB GENERATION COMPANY (SZC) LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of NNB Generation Company (SZC) 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 results 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 balance sheet;
- the statement of changes in Equity; and
- the related notes 1 to 18.

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, 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.

Material uncertainty related to going concern

We draw attention to note 2 in the financial statements, which indicates that continuation of the SZC Project is conditional on a robust investment framework being in place and the Shareholder Board approval. As stated in note 2, these events or conditions, along with the other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NNB GENERATION COMPANY (SZC) LIMITED (CONTINUED)

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.

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. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NNB GENERATION COMPANY (SZC) LIMITED (CONTINUED)

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.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included applicable laws and;
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NNB GENERATION COMPANY (SZC) LIMITED (CONTINUED)

Report on other legal and regulatory requirements

Opinion 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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.

[redacted]

Anthony Matthews FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor

London, United Kingdom

14 June 2021

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £ 000	2019 £ 000
Other operating income		-	61
Profit before taxation		-	61
Taxation	6	(23)	(12)
(Loss)/profit for the year		(23)	49

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

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

BALANCE SHEET
AT 31 DECEMBER 2020

	Note	2020 £ 000	2019 £ 000
Non-current assets			
Property, plant and equipment	7	291,609	185,586
Right of use assets	8	27	79
		291,636	185,665
Current assets			
Trade and other receivables	9	2,863	1,615
Cash and cash equivalents	10	28,683	28,573
Current tax asset		209	209
		31,755	30,397
Total assets		323,391	216,062
Current liabilities			
Lease liabilities	8	(12)	(49)
Trade and other payables	11	(30,435)	(22,058)
		(30,447)	(22,107)
Net current assets		1,308	8,290
Total assets less current liabilities		292,944	193,955
Non-current liabilities			
Lease liabilities	8	(7)	(18)
Deferred tax liability	12	(343)	(320)
Net assets		292,594	193,617
Equity			
Share capital	14	16,300	16,300
Capital reserve	15	276,208	177,208
Retained earnings		86	109
Total Equity		292,594	193,617

The financial statements of NNB Generation Company (SZC) Limited (registered number: 09284825) on pages 13 to 31 were approved by the Board, authorised for issue and signed on its behalf by:

[redacted]
Chief Financial Officer

14 June 2021

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

	Called up share capital £ 000	Capital reserve £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2019	16,300	104,008	60	120,368
Profit for the year	-	-	49	49
Capital contribution (note 15)	-	73,200	-	73,200
At 31 December 2019	16,300	177,208	109	193,617
At 1 January 2020	16,300	177,208	109	193,617
Loss for the year	-	-	(23)	(23)
Capital contribution (note 15)	-	99,000	-	99,000
At 31 December 2020	16,300	276,208	86	292,594

NOTES TO THE FINANCIAL STATEMENTS

1 General information

NNB Generation Company (SZC) 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 5.

Basis of preparation
The Company meets the definition of a qualifying entity under Financial Reporting Standard 101 (FRS 101) "Reduced Disclosure Framework". These financial statements were prepared in accordance with 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 presented on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the asset. The financial statements are presented in pounds sterling as that is the currency for the primary economic environment in which the company operates.

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 requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 79(a)(iv) of IAS 1;
d) the requirements of paragraphs 10(d), 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;
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;
j) the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases; and
k) the requirements of paragraph 58 of IFRS 16, provided that the disclosure of details of indebtedness required by paragraph 61(1) of Schedule 1 to the Regulations is presented separately for lease liabilities and other liabilities, and in total.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 Accounting policies (continued)

Going concern

The Company has been equity-funded since incorporation. Following completion and signature of the Shareholder Agreement in September 2016, both shareholders are obliged to act in accordance with the provisions of that Agreement in relation to the Cash Calls required to fund the Company. Cash Call is the term used to describe the process by-which the Company requests funding from each shareholder.

For each Shareholder there are default mechanisms contained within the Agreement that will, in the event of a Cash Call default, ensure that alternative methods of funding are made available to the Company.

The continuation of the SZC Project is conditional on a robust investment framework being in place and Shareholder Board approval. These circumstances represent a material uncertainty that may cast significant doubt over the Company's ability to continue as a going concern. The recoverability of the balance of assets in the course of construction and discharge of liabilities relating to SZC at 31 December 2020 is dependent upon both the project achieving Final Investment Decision (FID) and the forecast profitability of SZC.

After making enquiries and reviewing cash flow forecasts and available facilities for at least the next 12 months (including subsequent events), the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has the ability to draw on 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.

Foreign currency transactions and balances

The functional and presentational currency of the Company is pounds sterling. Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

Property, plant and equipment

Tangible fixed assets are stated at cost less depreciation and provision for impairment. Included in cost are all those costs incremental and necessary to the construction of low carbon power generators, including but not limited to Generic Design Assessment, planning, site preparation, associated development, safety compliance, construction and decommissioning. Costs within EDF Energy Limited Central Shared Service Charges ("CSS") which are considered incremental to the Company's projects, such as IT development project costs and direct legal work, are also capitalised.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of acquisition of each asset evenly over its expected useful life. Freehold land is not depreciated.

Assets recognised in the course of construction are included under assets under construction ("AUC") and will be depreciated when the plant is commissioned and ready for use. AUC are depreciated over the period of its intended use, commencing upon commissioning of the plant.

2 Accounting policies (continued)

Assets under construction

Assets under construction are recognised as the total of cost of purchase, construction and installation of tangible assets to bring them into use. For the assets to be bought into use, they are transferred to relevant tangible asset classes where they are depreciated as per the policy of that tangibles asset class. No depreciation is recognised prior to these transfers.

Taxation

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 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 period

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 is also recognised in other comprehensive income or directly in equity respectively.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Leases

2 Accounting policies (continued)

Company as Lessee
At contract inception, the Company assesses whether a contract is or contains a lease. A contract is treated as a lease if it conveys the rights to control the use of an identified asset for a period of time in exchange for consideration.

Identified arrangements that do not have the legal form of a lease contract but nonetheless convey the right to control the use of an asset or group of specific assets to the purchaser are treated by the Company as leases, and analysed by reference to IFRS 16.
The Company recognises a lease liability which represents the lease payments to be made and a right-of-use asset representing the right to use the underlying asset for all leases apart from short-term leases (12 months or less) and leases of low value assets. Payment on short-term leases and low value assets are recognised on a straight-line basis over the lease term in the income statement.

Right-of-use asset
IFRS 16 requires leases to be recognised in the lessee's balance sheet when the leased asset is made available, in the form of a "right-of-use" asset. This is presented on the face of the balance sheet. Right-of-use asset is measured at cost less any accumulated depreciation and impairment loses and adjusted for any re-measurement of lease liability. The cost of right-of-use assets includes the initial measurement of the lease liability, any lease payment made at or before the commencement dates less any lease incentives received, any initial direct costs and an estimate of the costs to be incurred in dismantling and removing the underlying asset, restoring the site or restoring the underlying asset to the condition required by the terms of the lease. Right-of-use assets are depreciated on straight-line basis over the shorter of the lease term and the estimated useful life of the asset.

Lease Liabilities
At commencement of a lease the Company recognises a lease liability measured at the present value of the lease payments to be made over the lease term. The discount rate used is the incremental borrowing rate at the date of the lease commencement. The lease liability is split between current and non-current lease liabilities. Lease payments include fixed payments less any lease incentives receivable and amounts expected to be paid under residual value guarantees. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount of lease liabilities is re-measured if there is a modification such as a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 Accounting policies (continued)

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.

Borrowing costs are recognised on the basis of the effective interest method and included in finance costs. Borrowing costs are recognised immediately in profit or loss, unless they are directly attributable to the acquisition, construction or production of qualifying assets. These are assets that necessarily take a substantial period of time to get ready for their intended use or sale, and borrowings costs are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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.

Impairment of non-financial assets

At each balance sheet date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

2 Accounting policies (continued)

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 assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through the profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the profit or loss are recognised immediately in profit or loss.

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 pair 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.

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.

Other financial liabilities
Other financial liabilities include borrowings and trade and other payables and are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points pair 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 (where appropriate) a shorter period, to the net carrying amount on initial recognition. Other financial liabilities relate to balances with other Group companies.

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
The following are the 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 consolidated financial statements.

Capitalisation of costs
Management are required to make judgements in relation to the capitalisation of costs. This relates to both when amounts may begin to be capitalised, where there may be doubt about planning consent or the ultimate completion of the asset, and in relation to the nature of costs incurred. Judgement has been exercised in the year including in relation to:

- the assessment of assets in the course of construction, where judgement is exercised to determine costs that are directly attributable to the assets under construction.
- when a project moves from the research phase (where costs must be expensed) to the development phase and hence may be capitalised as the future economic benefit of the project becomes probable and the principles of IAS 38 are considered and applied.

It is the strategy of EDF to construct low carbon nuclear new build power stations in the UK using the EPR technology. This technology is already being deployed at the power stations at Flamanville in France, at Taishan in China and at Hinkley Point C (HPC). Using the same technology, although adapted for UK regulatory requirements and site specifics, SZC will benefit from a series effect on standardisation of design, on construction and on operation. As a result of this replication approach, continued Shareholder investment and the Project achievements the Company feel it is appropriate to capitalise the pre-development costs of £289.4m as property, plant and equipment.

Carrying value of property, plant and equipment
The Company reviews the carrying value of property, plant and equipment on an annual basis where there is an indicator of impairment. As at 31 December 2020, there were no indicators of impairment as the developments are at the early stage of a long term Nuclear New Build project. However, achievement of Final Investment Decision (FID), the ability of the company to achieve the future performance measures for successful delivery of the power station to appropriate safely and quality standards, on time and on budget as well as the ability to achieve future forecast financial returns once SZC is operational are key judgements in the ongoing assessment of the carrying value of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Directors' remuneration

The Directors' (as set out in the Directors' Report) are: Humphrey Cadoux-Hudson, Yigang Cao, Robert Holden, Stuart Crooks, Marie-Sylvie Collet, Patrick Pruvot, Julia Pyke, Alan Raymant, Bertrand Michoud and Frederic Mayoux.

The persons listed above are all Executive Directors, with the exception of Robert Holden, Marie-Sylvie Collet and Alan Raymant who are Non-Executive Directors. Remuneration for the year was as follows:

	2020 £ 000	2019 £ 000
Emoluments	48	46

All Executive Directors are employees of either associated EDF S.A. group companies or CGN group companies. Non-Executive Directors are either employees of EDF S.A. group companies or external appointments.

Yigang Cao, as the CGN Executive Director, is paid by subsidiaries of CGN for their services to the CGN group. No portion of their remuneration can be specifically attributed to their services to the Company.

The remaining Executive Directors are EDF appointed and are executives of other companies across the EDF S.A. group. It is not practicable to allocate their remuneration between their services as executives of this Company and their services as directors of other EDF companies.

For Non-Executive Directors who are employees of EDF S.A. group companies it is not practicable to allocate their remuneration between their remuneration between their services as Non-Executive Directors of this Company and services to the wider Group.

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

5 Loss for the year

In 2020, an amount of £55,794 (2019: £42,607) was paid to Deloitte LLP for the audit of the Company's annual accounts. This charge was borne by another Group company, via the EDF Energy Limited company shared service charges as noted in its annual accounts. In 2020, amounts payable to Deloitte LLP by the Company in respect of non-audit services were £nil (2019: £nil).

The Company had no employees in the year ending 31 December 2020 (2019: none).

6 Taxation

(a) Tax charged in the income statement

	2020 £ 000	2019 £ 000
Current taxation		
UK corporation tax charge on profits made in the year	-	12
Total current income tax	-	12
Deferred taxation		
Adjustments in respect of previous years' reported tax charge	(15)	-
Effect of increased tax rate on opening balance	38	-
Income tax charge reported in the income statement	23	12

(b) The tax on profit / result before tax for the year is higher than (2019: the same as) the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%).

The charge for the year can be reconciled to the profit / result in the income statement as follows:

	2020 £ 000	2019 £ 000
Profit/result before taxation	-	61
Tax at the UK corporation tax rate of 19.00% (2019: 19.00%)	-	12
Effect of:		
Adjustment to prior year deferred tax charge	(15)	-
Impact of increased tax rate on opening deferred tax balance	38	-
Tax charge reported in the income statement	23	12

The closing deferred tax balance at 31 December 2020 has been calculated at 19% (2019: 17%). This is the average tax rate at which the reversal of the net deferred tax liability is expected to occur.

Changes to the main rate of corporation tax were enacted after the balance sheet date. The impact of the changes is disclosed as a post balance sheet event in account note 17.

7 Property, plant and equipment

	Freehold land £ 000	Assets under construction £ 000	Total £ 000
Cost			
At 1 January 2020	2,198	183,388	185,586
Additions	-	106,022	106,022
At 31 December 2020	2,198	289,411	291,609
Depreciation			
At 1 January 2020	-	-	-
At 31 December 2020	-	-	-
Carrying amount			
At 31 December 2020	2,198	289,411	291,609
At 31 December 2019	2,198	183,388	185,586

Assets in the course of construction mainly relate to nuclear new build activities, of which the amount capitalised in relation to Sizewell C at 31 December 2020 is £289.4m (2019: £183.4m). As explained in Note 2, the recoverability of the balance of assets in the course of construction relating to SZC at 31 December 2020 is dependent upon both the project achieving FID and the forecast profitability of SZC.

8 Leases

Company as Lessee

The entity applies the recognition exemptions for short-term leases and leases for which the underlying asset is of low value. The weighted average incremental borrowing rate applied in discounting the lease liability is 1.53%.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Leases (continued)

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Land £000	Total £000
Cost		
At 1 January 2020	127	127
Additions	1	1
Disposal	(37)	(37)
At 31 December 2020	91	91
Accumulated Depreciation		
At 1 January 2020	48	48
Charge for the year	54	54
Disposal	(37)	(37)
At 31 December 2020	65	65
Carrying amount		
At 31 December 2020	27	27
At 31 December 2019	79	79

Set out below are the carrying amounts of lease liabilities and movement during the period:

	2020 £000	2019 £000
At 1 January	67	87
Additions	1	33
Interests	1	1
Payments	(50)	(54)
As at 31 December	19	67

The lease liabilities have been split as follows:

	2020 £000	2019 £000
Current	12	49
Non-current	7	18
Total	19	67

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Leases (continued)

The following are amounts recognised in profit or loss:

	2020 £000
Depreciation expense for right-of-use assets	54
Capitalised depreciation expense	(54)
Net depreciation expense	-
Interest expense of lease liabilities	1
Capitalised interest expense	(1)
Net interest expense of lease liabilities	-
Expense relating to short-term leases	-
Expense relating to leases of low value assets	-
Total amount recognised in income statement	-

9 Trade and other receivables

	2020 £ 000	2019 £ 000
Amounts owed from other Group companies	19	123
Other debtors	2,273	613
Value added tax receivable	571	879
	2,863	1,615

Amounts owed from other Group companies are unsecured, interest free and repayable on demand.

10 Cash and cash equivalents

	2020 £ 000	2019 £ 000
Cash at bank	28,683	28,573

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 Trade and other payables

	2020 £ 000	2019 £ 000
Trade payables	9,526	3,194
Accruals	16,059	14,224
Amounts owed to other Group companies	4,849	4,640
	30,435	22,058

Amounts owed to other Group companies are unsecured trading balances and are interest free, with 30-day repayment terms in the current period.

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:

	Accelerated capital allowances £ 000	Total £ 000
At 31 December 2018	(320)	(320)
(Charge)/credit to income:		
- current year	-	-
- effect of decreased tax rate on opening liability	-	-
At 31 December 2019	(320)	(320)
(Charge) to income:		
- current year		
Adjustments in respect of previous years' reported tax charges	15	15
Effect of increased tax rate on opening liability	(38)	(38)
At 31 December 2020	(343)	(343)

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:

	2020 £ 000	2019 £ 000
Deferred tax assets	-	-
Deferred tax liabilities	(343)	(320)
At 31 December	(343)	(320)

Other factor affecting the tax charge

Changes to the main rate of corporation tax were enacted after the balance sheet date. The impact of the changes is disclosed as a post balance sheet event in account note 17.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 Commitments

The total amount contracted for but not provided in the financial statements was £35,647k (2019: £7,046.9k).

14 Share capital

Allotted, called up and fully paid shares

	No. 000	2020 £ 000	No. 000	2019 £ 000
Ordinary shares of £1 each	16,300	16,300	16,300	16,300

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

15 Capital reserve

The capital reserve was created as a result of capital contributions from the shareholders of £94,008k in 2016. In 2020 an additional £99,000k (2019: £73,200k) was contributed by shareholders, taking the total capital contributions to £276,208k at 31 December 2020.

These are classified as equity instruments as the terms of the shareholder loan are such that interest payments are deferrable, there is no redemption date and the holder have no option to redeem the instrument.

16 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 require disclosure under IAS 24.

Key management personnel for the Company are the Directors of the Company. Please refer to note 4 for details of their remuneration. There are no other transactions with key management personnel during the year (2019: none).

Amounts outstanding with other related parties at 31 December are as follows:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Related party transactions (continued)

Amounts owed by related parties

2020	Other related parties £ 000
Trade and other receivables	19

2019	Other related parties £ 000
Trade and other receivables	123

Amounts owed to related parties

2020	Other related parties £ 000
Amounts owed to other Group companies	4,849

2019	Other related parties £ 000
Amounts owed to other Group companies	4,640

17 Post balance sheet event

Taxation
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.

DCO Examination
On 15th April 2021, the Planning Inspectorate (PINS) confirmed the start of the examination of the application for a Development Consent Order (DCO). The examination will run for six months, completing on 14 October 2021.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 Parent undertaking and controlling party

NNB Holding Company (SZC) Limited holds a 100% interest in the Company 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 that company's consolidated financial statements may be obtained from the registered office at 90 Whitfield Street, London, England W1T 4EZ.

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 office at Électricité de France SA, 22-30 Avenue de Wagram, 75382, Paris,Cedex 08, France.