

Humber Power Limited
Annual report
for the year ended 31 December 2002

Registered Number 2571241



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Humber Power Limited

Annual report for the year ended 31 December 2002

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Humber Power Limited

Directors' report for the year ended 31 December 2002

The directors present their report and the audited financial statements of the company for the year ended 31 December 2002.

Principal activities

The principal activity of the group is the development and operation of a gas fired power station at Stallingborough, North East Lincolnshire.

Review of business and future developments

Phase 1 and Phase 2 of the power station continued to maintain high levels of efficiency and availability through the year. Both phases of the project were maintained in accordance with the planned inspection programme following which the plant returned to operation.

Results and dividends

The consolidated profit and loss account for the year is set out on page 4. The profit for the year was £38,439,000 (period ended 31 December 2001: £22,882,000). An interim dividend of £54,000,000 (2001: £Nil) was paid during the year and the Directors recommend a final dividend of £8,699,000 (2001: £Nil) leaving a retained loss for the year of £24,260,000 (2001: profit of £22,882,000), which has been deducted, from reserves.

Charitable donations

During the year the group made charitable donations of £1,680 (2001: £1,000).

Directors and their interests

The directors who held office during the period are given below:

P Sauquet	(French)
Jake Ulrich	(American) - resigned 6 March 2003
Jean Pierre Matielle	(French)
Stephen Mancey	(British) – resigned 6 November 2002, appointed 6 March 2003
Michael Garstang	(British) - appointed 22 March 2002
Didier Chanoine	(French) – appointed 22 March 2002
Alan Bennett	(British) – appointed 6 November 2002

Alternate directors who held office during the year are given below

Ian Wood	(British)
Luc Jaubert	(French) – appointed 20 September 2002
Simon Goodwin	(British) – appointed 6 March 2003

No director had any interests in any of the shares of group undertakings at 31 December 2002 or at any time during the year.

Policy and practice on payment of creditors

Creditors are paid as they fall due. Trade creditors at the year end represented 10 days (2001: 17 days) of purchases.

Humber Power Limited

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and group and of the profit or loss of the company and group for that year. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently with the exception of the changes arising on the adoption of new accounting standards in the year as explained on page 8. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the period ended 31 December 2002 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 31 January 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. A resolution to re-appoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

By order of the Board



Director

Humber Power Limited

Independent Auditors' report to the members of Humber Power Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheets, the cash flow statement and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31 December 2002 and the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Hull

27 October 2003

Humber Power Limited

Consolidated profit and loss account for the year ended 31 December 2002

	Note	2002 £'000	2001 (7 months) £'000
Turnover		128,295	78,312
Cost of sales		(37,959)	(19,428)
Gross profit		90,336	58,884
Distribution expenses		(8,948)	(5,341)
Administrative expenses		(10,048)	(8,079)
Operating profit	1	71,340	45,464
Net interest payable	4	(26,733)	(17,645)
Profit on ordinary activities before taxation		44,607	27,819
Taxation	5	(6,168)	(4,937)
Profit for the year		38,439	22,882
Dividends paid and proposed	7	(62,699)	-
Retained (loss)/profit for the year	19	(24,260)	22,882

All items dealt with in arriving at operating profit above relate to continuing operations.

The group has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented.

Humber Power Limited

Balance sheets as at 31 December 2002

	Note	Group 2002 £'000	Group 2001 £'000	Company 2002 £'000	Company 2001 £'000
Fixed assets					
Tangible assets	8	457,831	479,095	456,973	478,142
Investments	9	-	-	-	-
		457,831	479,095	456,973	478,142
Current assets					
Stocks	10	13,122	18,759	13,122	18,759
Debtors					
- due within one year	11	22,130	34,503	44,227	46,920
- due after more than one year	12	-	-	72,379	89,720
Cash at bank and in hand		33,194	30,202	33,194	30,202
		68,446	83,464	162,922	185,601
Creditors – amounts falling due within one year	13	(25,870)	(14,359)	(27,231)	(18,372)
Net current assets		42,576	69,105	135,691	167,229
Total assets less current liabilities		500,407	548,200	592,664	645,371
Creditors – amounts falling due after more than one year	14	(445,700)	(472,755)	(563,641)	(592,088)
Provisions for liabilities and charges	15	(26,271)	(22,749)	-	-
Net assets		28,436	52,696	29,023	53,283
Capital and reserves					
Called up share capital	17	20,000	20,000	20,000	20,000
Share Premium	18	8,436	8,436	8,436	8,436
Profit and loss account	19	-	24,260	587	24,847
Equity shareholders' funds	20	28,436	52,696	29,023	53,283

The financial statements on pages 4 to 20 were approved by the board of directors on *24 October 2003* and were signed on its behalf by:


Director

Humber Power Limited

Consolidated cash flow statement for the year ended 31 December 2002

	Note	2002 £'000	2002 £'000	2001 (7 months) £'000	2001 (7 months) £'000
Net cash inflow from operating activities	21		120,232		64,790
Returns on investment and servicing of finance					
Interest received		2,558		325	
Interest paid		(13,242)		(6,865)	
Interest element of finance lease rental payments		(16,049)		(11,105)	
Net cash (outflow) from returns on investments and servicing of finance			(26,733)		(17,645)
Taxation			-		-
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(11,739)		(32)	
Fixed asset disposals		3,976		-	
Dividends paid		(54,000)		-	
Net cash (outflow) from capital expenditure and financial investment			(61,763)		(32)
Cash inflow before use of liquid resources and financing			31,736		47,113
Financing					
Redemption of loan stock	22	(25,000)		(27,314)	
Capital element of finance lease rental payments	22	(3,744)		1,097	
Net cash (outflow) from financing			(28,744)		(26,217)
Increase in net cash	22		2,992		20,896

Humber Power Limited

Reconciliation of net cash flow to movement in net debt

	Note	2002 £'000	2002 £'000	2001 (7 months) £'000	2001 (7 months) £'000
Increase in cash for the year		2,992		20,896	
Cash outflow from decrease in debt and lease financing		28,744		26,217	
Movement in net debt in the year	22		31,736		47,113
Net debt at 31 December 2001			(445,488)		(492,601)
Net debt at 31 December 2002	22		(413,752)		(445,488)

Humber Power Limited

Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom.

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. The group has adopted Financial Reporting Standard number 19 (FRS 19) in its accounts for the year ended 31 December 2002. This standard addresses the recognition, on a full provision basis, of deferred taxation assets and liabilities arising from timing differences between the recognition of gains and losses in the financial statements, and their recognition in the taxation computation. The new accounting policy is set out below. The financial impact arising from the implementation of FRS 19 is reflected in the financial statements, there was no effect on the prior year results arising from the implementation of this standard.

Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertaking up to 31 December 2002. Intra group sales, profits and balances are eliminated on consolidation.

Turnover

Turnover is recognised on an accruals basis in accordance with the tolling agreement (note 25).

Fixed assets and depreciation

Fixed assets are stated at the original cost less depreciation.

Depreciation is charged on all fixed assets, other than freehold land, from the "take-over" date for each phase, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its useful economic life. The useful economic lives of assets held in the year have been estimated as follows:

Power station	30 years
Gas turbine components	3 - 9 years
Tools and machinery	4 years
Computer software and equipment	4 years
Office equipment	4 years
Motor vehicles	4 years

Depreciation in respect of major hot gas path spares components is based on the total of the cost prevailing at the date of acquisition together with the appropriate suppliers refurbishment costs of each component, spread over the length of its expected useful life.

Stocks

Strategic spares and consumable spares are stated at the lower of cost incurred in bringing each item to its present location and condition and net realisable value.

Cost includes capitalised overhaul expenditure, typically incurred during the year before the next overhaul, depreciated over the expected useful life which is usually 6 years once the major spares are brought into use.

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Deferred tax

Following the introduction of FRS 19, deferred taxation is recognised on all timing differences where the transactions or events that give rise to an obligation to pay more taxation in the future, or a right to pay less taxation in the future, have occurred by the balance sheet date. Deferred taxation assets are not recognised if the transfer of economic benefits is not reasonably certain.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on the tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax is measured on a non-discounted basis.

Finance leases

Assets held under finance lease arrangements have been capitalised and are included in fixed assets at their fair value at the inception of the lease. Finance lease assets are depreciated at rates calculated to write off the cost, less estimated residual value, evenly over their useful life, which is deemed to be 30 years. The obligations relating to finance leases, net of finance charges in respect of future years, are included as appropriate under creditors due within or after more than one year. The interest element of the lease rental is allocated to accounting years during the lease on an accruals basis. The interest charge is based on the outstanding finance lease creditor.

Operating leases

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the lease.

Interest

Interest on borrowing specifically related to the financing of each Phase has been capitalised during the construction period. All other interest is charged/credited directly to the profit and loss account.

Pension schemes

The company participates in a contracted out money purchase scheme. Pension contributions are charged to the profit and loss account as the costs are incurred. Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments in the balance sheet.

Derivative instruments

The company uses interest rate swaps to hedge its exposure to fluctuations in interest rates. Amounts payable or receivable in respect of interest rate derivatives are recognised on an accruals basis over the life of the instrument. Interest rate swaps are not revalued to fair value, or shown on the balance sheet at the year-end.

Foreign currencies

Foreign currency transactions are translated into sterling at the rate ruling at the balance sheet date. All profit and losses on exchange are charged to the profit and loss account.

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Notes to the financial statements for the period ended 31 December 2002

1 Operating profit

	2002 £'000	2001 (7 months) £'000
Operating profit is stated after charging		
Depreciation		
- owned assets	6,745	4,543
- assets held under finance leases	22,282	12,998
The total amount charged to the profit and loss account in respect of finance leases (of which £16,049,000 (31 December 2001: £11,105,000) is shown as interest and £22,282,000 (31 December 2001: £12,998,000) is shown as depreciation)	38,331	24,103
Auditors' remuneration – audit fees and expenses:		
- parent company	28	22
- subsidiary undertaking	-	-
- Group	28	22
Auditors' remuneration – non audit fees	88	114

2 Directors' emoluments

The directors received no emoluments from the company during the year (31 December 2001: £Nil).

3 Employee information

The company has no direct employees. However, payments amounting to £3,311,000 (2001: £1,739,000) were made during the year in respect of an average of 70 staff (2001: 70) providing services to Humber Power Limited through the year under an employee services agreement with a subsidiary company of a Shareholder (note 25).

Staff costs comprise:

	2002 £'000	2001 (7 months) £'000
Wages and salaries	2,822	1,486
Social security costs	286	136
Other pension costs	203	117
	3,311	1,739

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4 Interest and similar changes

	2002 £'000	2001 (7 months) £'000
Payable		
Interest rate swaps	12,239	6,070
Bank	1,003	795
Finance lease costs	16,049	11,105
	29,291	17,970
Receivable		
Bank interest	(2,558)	(325)
	(2,558)	(325)
Net interest payable	26,733	17,645

5 Taxation

The charge based on the profits for the year comprises:

	2002 £'000	2001 (7 months) £'000
Corporation Tax	3,371	-
Deferred taxation (note 15)	3,522	4,937
Consortium relief	(725)	
	6,168	4,937

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK Corporation Tax to the profit before tax is as follows:

	2002 £'000	2001 (7 months) £'000
Profit on ordinary activities before taxation	44,655	27,819
Taxation on profit on ordinary activities at rate of 30% (2001 30%)	13,397	8,346
Effects of:		
Accelerated capital allowances	(1,460)	(1,040)
Expenses not deductible for tax purposes	24	18
Other timing differences	704	934
Utilisation of tax losses	(9,294)	(8,258)
Current taxation charge	3,371	-

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6 Profit for the year

As permitted by section 230 of the Companies Act 1985, the company's profit and loss account has not been included in these financial statements. The company's profit for the financial year was £38,439,000 (period ended 31 December 2001: £25,701,000).

7 Dividends

	2002 £'000	2001 (7 months) £'000
Paid	54,000	-
Proposed	8,699	-
	62,699	-

8 Tangible assets

Group	Short leasehold property £'000	Freehold land £'000	Power station assets £'000	Gas turbine components £'000	Other plant, machinery equipment and motor vehicles £'000	Total £'000
Cost						
At 31 December 2001	6	2,204	533,765	47,554	1,064	584,593
Additions	-	-	2	11,523	214	11,739
Disposals	-	-	-	(11,956)	-	(11,956)
At 31 December 2002	6	2,204	533,767	47,121	1,278	584,376
Depreciation						
At 31 December 2001	-	-	72,643	32,161	694	105,498
Disposals	-	-	-	(7,980)	-	(7,980)
Charge for the year	-	-	17,840	11,005	182	29,027
At 31 December 2002	-	-	90,483	35,186	876	126,545
Net book amount						
At 31 December 2002	6	2,204	443,284	11,935	402	457,831
At 31 December 2001	6	2,204	461,122	15,393	370	479,095

The cost of assets held under finance leases at 31 December 2002 amounted to £ 454,346,000 (31 December 2001: £454,346,000) with accumulated depreciation of £109,977,000 (31 December 2001: £87,695,000).

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Company	Power station assets £'000	Gas turbine components £'000	Motor vehicles, plant and machinery £'000	Total £'000
Cost				
At 31 December 2001	535,192	47,554	232	582,978
Additions	2	11,523	214	11,739
Disposals	-	(11,956)	-	(11,956)
At 31 December 2002	535,194	47,121	446	582,761
Depreciation				
At 31 December 2001	72,643	32,161	32	104,836
Disposals	-	(7,980)	-	(7,980)
Charge for the year	17,839	11,005	88	28,932
At 31 December 2002	90,482	35,186	120	125,788
Net book amount				
At 31 December 2002	444,712	11,935	326	456,973
At 31 December 2001	462,549	15,393	200	478,142

The costs of assets held under finance leases at 31 December 2002 amounted to £ 581,559,000 (31 December 2001: £581,559,000) with accumulated depreciation of £123,542,000 (31 December 2001: £101,885,000).

As at 31 December 2002 a review has been undertaken of the value in use and net realisable values of the group's fixed assets and compared them to their net book values. As a result of this review it is considered that no impairment of fixed assets is necessary.

9 Fixed asset investment

Humber Power Limited owns 100% of the ordinary issued shares of Humberland Limited, a company registered in England and Wales. The principal activity of Humberland Limited is the development, construction and investing in a power station. The cost of investment in the subsidiary undertaking at 31 December 2001 and 31 December 2002 amounted to £100.

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10 Stocks

	Group and company	
	2002 £'000	2001 £'000
Strategic spares	8,465	13,669
Consumable spares	4,657	5,090
	13,122	18,759

11 Debtors – amounts falling due within one year

	Group	Group	Company	Company
	2002 £'000	2001 £'000	2002 £'000	2001 £'000
Trade debtors	1,145	459	1,145	459
Dividend receivable from subsidiary	-	-	19,403	12,424
Amount due from related party	725	-	725	-
Other debtors (note 25)	3,484	3,053	3,484	3,053
Prepayments and accrued income (note 25)	16,776	30,991	16,819	30,984
Deferred taxation (note 16)	-	-	2,651	-
	22,130	34,503	44,227	46,920

12 Debtors – amounts falling due after more than one year

	Group	Group	Company	Company
	2002 £'000	2001 £'000	2002 £'000	2001 £'000
Amounts due from subsidiary undertaking	-	-	72,379	89,720

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13 Creditors – amounts falling due within one year

	Group	Group	Company	Company
	2002	2001	2002	2001
	£'000	£'000	£'000	£'000
Trade creditors	3,128	3,962	3,119	3,885
Corporation Tax	3,371	-	782	-
Other taxes and social security	3,250	1,572	3,251	1,572
Accruals and deferred income	6,020	4,556	6,069	4,556
Other creditors (note 25)	157	1,334	157	1,334
Obligations under finance leases	1,245	2,935	5,154	7,025
Proposed dividend	8,699	-	8,699	-
	25,870	14,359	27,231	18,372

14 Creditors – amounts falling due after more than one year

	Group	Group	Company	Company
	2002	2001	2002	2001
	£'000	£'000	£'000	£'000
Loan stock (note 25)	-	25,000	-	25,000
Obligations under finance leases	445,700	447,755	563,641	567,088
	445,700	472,755	563,641	592,088

Fixed and floating charges exist over all the assets of the group to secure the finance lease liabilities in both the company and its subsidiary undertaking.

	Group	Group	Company	Company
	2002	2001	2002	2001
	£'000	£'000	£'000	£'000
Finance leases				
Amounts repayable by instalments:				
Between one and two years	4,407	3,523	5,696	7,930
Between two and five years	21,979	17,821	21,158	28,698
Over five years	419,314	426,411	536,787	530,460
	445,700	447,755	563,641	567,088

The finance lease bears interest at a margin above LIBOR. The rate is effectively fixed using interest rate swaps at rates varying between 6.0% and 7.7%, which expire in 2014. The finance lease obligations of the company represent amounts owing to Humberland Limited, its subsidiary undertaking.

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The total amounts repayable by instalments, any part of which falls due after more than five years, are as follows:

	Group	Group	Company	Company
	2002	2001	2002	2001
	£'000	£'000	£'000	£'000
Loan stock E	-	25,000	-	25,000
Finance leases	446,945	450,690	568,795	574,113

15 Provisions for liabilities and charges

	Group Deferred taxation £'000
At 31 December 2001	22,749
Charged to the profit and loss account (note 5)	3,522
At 31 December 2002 (note 16)	26,271

16 Deferred taxation

	2002	2001
Group	Provision made £'000	Provision made £'000
Accelerated capital allowances	(3,758)	(5,224)
Other timing differences	34,366	35,109
	30,608	29,885
Losses available for future relief	(4,337)	(7,136)
	26,271	22,749

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Company	2002 Provision made £'000	2001 Provision made £'000
Accelerated capital allowances	723	602
Other timing differences	963	1,003
	1,686	1,605
Losses available for future relief	(4,337)	(1,605)
	(2,651)	-

17 Called up share capital

Authorised, allotted, called up and fully paid	2002 £'000	2001 £'000
20,000,000 Ordinary shares of £1 each	20,000	20,000

18 Share Premium account

At 31 December 2001 and at 31 December 2002	Group £'000	Company £'000
	8,436	8,436

19 Profit and loss account

At 31 December 2001	Group £'000	Company £'000
At 31 December 2001	24,260	24,847
Retained loss for the year	(24,260)	(24,260)
At 31 December 2002	-	587

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20 Reconciliation of movements in shareholders' funds

	Group	Group	Company	Company
	2002	2001	2002	2001
	£'000	£'000	£'000	£'000
Profit for the financial year	38,439	22,882	38,439	24,100
Dividends paid and proposed	(62,699)	-	(62,699)	-
Net (decrease) / increase in shareholders funds for year	(24,260)	22,882	(24,260)	24,100
Opening shareholders' funds	52,696	29,814	53,283	29,183
Closing shareholders' funds	28,436	52,696	29,023	53,283

21 Reconciliation of operating profit to net cash inflow from operating activities

	2002	2001
	£'000	£'000
Operating profit	71,340	45,464
Depreciation charge	29,027	17,541
Decrease / (increase) in stocks	5,637	(5,086)
Decrease / (increase) in debtors	12,373	(525)
Increase in creditors	1,855	7,396
Net cash inflow from operating activities	120,232	64,790

22 Analysis of net debt

	At	Cash flows	At
	31 December		31 December
	2001		2002
	£'000	£'000	£'000
Cash at bank and in hand	30,202	2,992	33,194
Loan Stock E	(25,000)	25,000	-
Finance leases	(450,690)	3,744	(446,946)
	(445,488)	31,736	(413,752)

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23 Capital commitments

The group has signed various contracts in connection with the construction and financing and operation of the power station. At 31 December 2002 the group had capital commitments contracted for of £5,761,757 (31 December 2001: £506,020).

24 Pensions

The group pension contributions during the year amounted to £Nil (31 December 2001: £Nil).

25 Related party transactions

The following transactions between the Group and fellow group companies of its shareholders, all of who are regarded as related parties under Financial Reporting Standard No 8, have been included in the consolidated financial statements.

(1) Loan stock and loans to shareholders

Creditors at 31 December 2002 include £Nil (31 December 2001: £25,000,000) in respect of loan stock E held by the following group undertakings of its shareholders:

- Chanter Petroleum Limited
- GB Gas Holdings Limited

During the year ending 31 December 2002 loan stock interest payments were made in the sum of £602,189 to GB Gas Holdings Limited and £ 401,460 to Chanter Petroleum Limited in respect of Loan Stock E. At 31 December 2002 Accruals included £Nil (31 December 2001: £66,253) of loan stock interest in respect GB Gas Holdings and £Nil (31 December 2001: £44,168) in respect of Chanter Petroleum.

(2) Tolling revenues

The company has received £ 52,732,533 (31 December 2001: £22,835,961) from a fellow group company of Chanter Petroleum Limited in respect of a gas-tolling contract for part of the generation output of the power station.

Prepayments and accrued income includes £ 4,419,182 (31 December 2001: £11,949,936) and Other Debtors includes £ 19,426 (31 December 2001: £312,534) receivable from a fellow group company of Chanter Petroleum Limited under the tolling contract.

Other Creditors includes £ 9,898 (31 December 2001: £446,029) payable to a fellow group company of Chanter Petroleum Limited under the tolling contract.

The company has received £ 75,561,814 (31 December 2001: £35,044,802) from a fellow group company of GB Gas Holdings Limited in respect of a gas-tolling contract for part of the generation output of the power station.

Humber Power Limited

Prepayments and accrued income includes £ 6,773,754 (31 December 2001: £16,333,570) and Other Debtors includes £ 49,462 (31 December 2001: £359,581) receivable from a fellow group company of GB Gas Holdings Limited.

Other Creditors includes £147,503 (31 December 2001: £794,527) payable to a fellow group company of GB Gas Holdings Limited under the tolling contract.

(3) SWAP payments

During the year ending 31 December 2002 SWAP interest payment were made in the sum of £1,735,539 to GB Holdings Limited and £1,157,026 to Chanter Petroleum Limited in respect of two interest rate SWAPs. At 31 December 2002 accruals included £1,041,323 (period ended 31 December 2001: £Nil) of SWAP interest in respect of GB Holdings Limited and £587,434 (period ended 31 December 2001: £Nil) in respect of Chanter Petroleum.

(4) Secondment of Staff

The company has no direct employees. However, payments amounting to £ 3,311,000 (2001: £1,739,000) were made during the year in respect of an average of 70 (2001: 70) staff providing services to Humber Power Limited under a employee services agreement with a fellow group company of GB Gas Holdings Limited where disclosure of the relevant employee costs and details are shown.

26 Ultimate parent undertaking and controlling party

Humber Power Limited is a joint venture between GB Gas Holdings Limited and Chanter Petroleum Limited; consequently there is no ultimate controlling party.

Copy of the financial statements for the parent undertakings can be obtained from the following:

Company Secretary
GB Gas Holdings Limited
Millstream
Maidenhead Road
Windsor
Berkshire
SL4 5GD

Company Secretary
Chanter Petroleum Limited
33 Cavendish Square
London
W1G 0PW