

**AES UK POWER FINANCING LIMITED**

**Report and Financial Statements**

**Fifty-nine week period ended 31 December 2000**

**Deloitte & Touche**  
10-12 East Parade  
Leeds  
LS1 2AJ



**REPORT AND FINANCIAL STATEMENTS 2000**

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**REPORT AND FINANCIAL STATEMENTS 2000**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

Michael Armstrong	(appointed 15 November 1999)
John Turner	(appointed 15 November 1999)
Sarah Flanigan	(appointed 11 January 2000)
Neil Hopkins	(appointed 15 November 1999)
Ian Foy	(appointed 21 May 2001)
Derek Paton	(appointed 21 May 2001)
John Prickett	(appointed 21 May 2001)
John Grimes	(appointed 21 May 2001)
Emma Weidemanis	(appointed 10 November 1999, resigned 15 November 1999)
Claire Gowers	(appointed 10 November 1999, resigned 15 November 1999)
Alan Crookes	(appointed 15 November 1999, resigned 15 November 1999)

**SECRETARIES**

Neil Hopkins	(appointed 15 November 1999)
Amanda Cade	(appointed 1 May 2001)

**REGISTERED OFFICE**

Drax Power Station  
Selby  
North Yorkshire  
YO8 8PQ

**AUDITORS**

Deloitte & Touche  
Chartered Accountants  
10-12 East Parade  
Leeds  
LS1 2AJ

## **DIRECTORS' REPORT**

The directors present their report and the audited financial statements for the fifty-nine week period from incorporation to 31 December 2000.

### **ACTIVITIES**

The principal activity of the company is that of an intermediate holding company.

### **REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

The company was incorporated on 12 November 1999 with issued share capital of 1 £1 ordinary share. On 15 November 1999 this was acquired by AES UK Power Holdings Limited, a company incorporated in Great Britain and registered in England and Wales.

On 29 November 1999 a further 1,000,000 £1 ordinary shares were issued at par to AES UK Power Holdings Limited.

On 29 November 1999 the company acquired the entire issued share capital of AES Drax Power Finance Holdings Limited.

On 2 August 2000 the company transferred 1% of the issued share capital of AES Drax Power Finance Holdings Limited to AES UK Power Financing II Limited.

On 2 August 2000 the company acquired the entire issued share capital of AES UK Power Financing II Limited.

On 15 November 1999 the accounting reference period of the company was extended so as to end on 31 December 2000.

The company acts as an intermediate parent company within a group of companies controlled by The AES Corporation. The company will continue to act as an intermediate parent company into the foreseeable future.

### **RESULTS AND DIVIDENDS**

The company did not trade during the period and therefore made neither a profit nor a loss. The directors do not recommend the payment of a dividend.

### **DIRECTORS AND THEIR INTERESTS**


The directors of the company who served during the period and thereafter are shown on page 1.

None of the directors had any interests, as defined by the Companies Act 1985, in the shares of the company or of any other group company as at 31 December 2000 or at any time since incorporation.

### **AUDITORS**

Deloitte & Touche were appointed auditors on 8 February 2000 and have expressed their willingness to continue in office.

Approved by the Board of Directors  
and signed on behalf of the Board



Amanda Cade

Secretary

16 July 2001

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the group for that period. In preparing those financial statements, they are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.



**AUDITORS' REPORT TO THE DIRECTORS OF  
AES UK POWER FINANCING LIMITED**

We have audited the financial statements on pages 5 to 8 which have been prepared under the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

As described on page 3 the company's directors are responsible for the preparation of financial statements which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with United Kingdom 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 circumstances of the company and the group, 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 the affairs of the company as at 31 December 2000 and of the result of the company for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

**Deloitte & Touche**

Chartered Accountants and  
Registered Auditors

20 July 2001

BALANCE SHEET  
31 December 2000

	Note	2000 £'000
<b>FIXED ASSETS</b>		
Investments	2	1,000
<b>CURRENT ASSETS</b>		
Debtors	3	209,000
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		210,000
<b>CREDITORS: amount falling due after more than one year</b>	4	(209,000)
		1,000
<b>CAPITAL AND RESERVES</b>		
Called up share capital	5	1,000
<b>EQUITY SHAREHOLDERS' FUNDS</b>		1,000

These financial statements were approved by the Board of Directors on 16 July 2001.

Signed on behalf of the Board of Directors



Derek Paton

Director

**NOTES TO THE ACCOUNTS**  
**Fifty-nine weeks ended 31 December 2000**

**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Consolidation**

The company is exempt from the requirement to prepare and deliver consolidated financial statements.

These financial statements therefore present information about the company as an individual undertaking and not about the group.

**Cash flow statement**

The cash flows of the company are included in the consolidated group cash flow statement of AES UK Power Holdings Limited. Accordingly, the company has taken advantage of the exemption under Financial Reporting Standard No. 1 not to publish a cash flow statement.

**Investments**

Investments held as fixed assets are stated at cost less provision for any impairment in value.

**2. INVESTMENTS HELD AS FIXED ASSETS**

	Shares in group undertaking £'000
<b>Cost</b>	
Additions	1,000
	<hr/>
At 31 December 2000	1,000
	<hr/> <hr/>

On 29 November 1999 the company acquired the entire issued share capital of AES Drax Power Finance Holdings Limited at book value. No goodwill arose on this transaction. The consideration was paid in cash.

On 2 August 2000 the company transferred 1% of the share capital of AES Drax Power Finance Holdings Limited to AES UK Power Financing II Limited at book value for cash consideration.

On 2 August 2000 the company acquired the entire issued share capital of AES UK Power Financing II Limited at book value. No goodwill arose on this transaction. The consideration was paid in cash.



**NOTES TO THE ACCOUNTS**  
**Fifty-nine weeks ended 31 December 2000**

**2. INVESTMENTS HELD AS FIXED ASSETS (continued)**

Details of the investment are below:

Name of company	Country of registration	Type of Shares	Proportion of voting rights held	Proportion of shares held	Nature of business
<b>Subsidiary undertakings:</b>					
<i>Directly owned</i>					
AES UK Power Financing II Limited	England & Wales	Ordinary	100%	100%	Non-trading holding company
AES Drax Power Finance Holdings Limited	England & Wales	Ordinary	99%	99%	Non-trading holding company

**3. DEBTORS**

**2000**  
**£'000**

Amount owed by subsidiary undertaking 209,000

**4. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

**2000**  
**£'000**

Amount owed to immediate parent 209,000

**5. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

**2000**  
**£'000**

Issue of share capital 1,000

Net additions in shareholders' funds 1,000

Opening shareholders' funds -

Closing shareholders' funds 1,000

**NOTES TO THE ACCOUNTS**  
**Fifty-nine weeks ended 31 December 2000**

**6. CALLED UP SHARE CAPITAL**

	2000 £'000
<b>Authorised</b>	
1,000,000,000 ordinary shares of £1 each	1,000,000
<b>Called up, allotted and fully paid</b>	
1,000,001 ordinary shares of £1 each	1,000

The company was incorporated on 12 November 1999.

On 15 November 1999 1 ordinary share of £1 each was issued at par to AES UK Power Holdings Limited.

On 29 November 1999 a further 1,000,000 ordinary shares of £1 each were issued at par to AES UK Power Holdings Limited for cash consideration.

**7. ULTIMATE PARENT COMPANY**

The immediate parent company is AES UK Power Holdings Limited, a company incorporated in Great Britain and registered in England and Wales. Copies of the group accounts of AES UK Power Holdings Limited can be obtained from Companies House, Maindy, Cardiff CF4 3UZ.

The ultimate parent company and controlling entity is The AES Corporation, a company incorporated in the State of Delaware, USA. Copies of the parent company's financial statements can be obtained from the Securities and Exchange Commission, 450 5th Street NW, Washington DC 20549, USA.

**8. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard 8, not to disclose transactions with other group companies.