

Humber Power Limited
Annual report
for the year ended 31 December 2004

Registered Number 2571241



Humber Power Limited

Annual report for the year ended 31 December 2004

Contents

Directors' report for the year ended 31 December 2004	1
Independent Auditors' report to the members of Humber Power Limited.....	3
Consolidated profit and loss account for the year ended 31 December 2004.....	4
Balance sheets as at 31 December 2004	5
Consolidated cash flow statement for the year ended 31 December 2004	6
Reconciliation of net cash flow to movement in net debt.....	7
Accounting policies	8
Notes to the financial statements for the year ended 31 December 2004.....	10

Humber Power Limited

Directors' report for the year ended 31 December 2004

The directors present their report and the audited financial statements of the company for the year ended 31 December 2004.

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 were operated through the year in accordance with the Tolling agreements and each phase continued to maintain the high levels of efficiency and availability of previous years. Both phases were maintained in accordance with the planned inspection programme, following which the plant was 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 £38,139,000 (2003: £22,813,000). An interim dividend of £ 25,000,000 (2003: £12,000,000) was paid during the year and the directors recommend a final dividend of £13,139,000 (2003: £10,800,000) leaving a retained profit for the year of £nil (2003: £13,000), which has been transferred to reserves.

Charitable donations

During the year the group made charitable donations of £670 (2003: £2,105).

Directors and their interests

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

P Sauquet	(French)
Jean Pierre Mateille	(French)
Michael Garstang	(British)
Alan Bennett	(British)
Didier Chanoine	(French)
Luc Jaubert	(French)
Simon Goodwin	(British)
Sarwjit Sambhi	(British) appointed 29 th January 2004
Stephen Mancey	(British) resigned 29 th January 2004
Ian Wood	(British) resigned 29 th January 2004

No director had any interests in any of the shares of group undertakings at 31 December 2004 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 12 days (2003: 9 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.

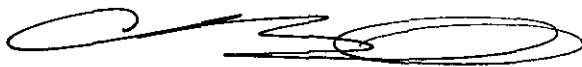
The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2004 and that applicable accounting standards have 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

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board



A Bennett
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, accounting policies 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 2004 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

11 May 2005

Humber Power Limited

Consolidated profit and loss account for the year ended 31 December 2004

	Note	2004 £'000	2003 £'000
Turnover		132,680	122,379
Cost of sales		(31,345)	(36,271)
Gross profit		101,335	86,108
Distribution expenses		(7,217)	(9,098)
Administrative expenses		(13,346)	(14,402)
Operating profit	1	80,772	62,608
Loss on disposal of fixed assets		(1,183)	-
Profit on ordinary activities before interest and taxation		79,589	62,608
Net interest payable	4	(25,079)	(30,087)
Profit on ordinary activities before taxation		54,510	32,521
Taxation	5	(16,371)	(9,708)
Profit on ordinary activities after tax		38,139	22,813
Dividends paid and proposed	7	(38,139)	(22,800)
Retained profit transferred to reserves	19	-	13

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 2004

	Note	Group 2004 £'000	Group 2003 £'000	Company 2004 £'000	Company 2003 £'000
Fixed assets					
Tangible assets	8	406,436	445,181	405,648	444,358
Investments	9	-	-	-	-
		406,436	445,181	405,648	444,358
Current assets					
Stocks	10	5,414	5,308	5,414	5,308
Debtors					
- due within one year	11	28,767	17,907	28,758	18,843
- due after more than one year	12	-	-	80,330	85,933
Cash at bank and in hand		91,809	58,279	91,809	58,279
		125,990	81,494	206,311	168,363
Creditors – amounts falling due within one year	13	(35,096)	(25,771)	(29,418)	(25,742)
Net current assets		90,894	55,723	176,893	142,621
Total assets less current liabilities		497,330	500,904	582,541	586,979
Creditors – amounts falling due after more than one year	14	(438,409)	(444,511)	(551,725)	(557,946)
Provisions for liabilities and charges	15	(30,472)	(27,944)	(1,783)	-
Net assets		28,449	28,449	29,033	29,033
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	13	13	597	597
Equity shareholders' funds	20	28,449	28,449	29,033	29,033

Prior year figures have been restated (see page 9)

The financial statements on pages 4 to 19 were approved by the board of directors on *4th May 2005* and were signed on its behalf by:

A Bennett
Director



Humber Power Limited

Consolidated cash flow statement for the year ended 31 December 2004

	Note	2004 £'000	2004 £'000	2003 £'000	2003 £'000
Net cash inflow from operating activities	21		95,012		93,549
Returns on investment and servicing of finance					
Interest received		3,947		1,647	
Interest paid		(8,910)		(13,528)	
Interest element of finance lease rental payments		(19,810)		(18,206)	
Net cash (outflow) from returns on investments and servicing of finance			(24,773)		(30,087)
Taxation			(8,967)		(7,674)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(5,544)		(9,535)	
Fixed asset disposals		15,901		21	
Dividends paid		(35,800)		(20,699)	
Net cash (outflow) from capital expenditure and financial investment			(25,443)		(30,213)
Cash inflow before use of liquid resources and financing			35,829		25,575
Financing					
Capital element of finance lease rental payments	22	(2,299)		(490)	
Net cash (outflow) from financing			(2,299)		(490)
Increase in net cash	22		33,530		25,085

Humber Power Limited

Reconciliation of net cash flow to movement in net debt

	Note	2004 £'000	2004 £'000	2003 £'000	2003 £'000
Increase in cash for the year	22	33,530		25,085	
Cash outflow from decrease in debt and lease financing		2,299		490	
Movement in net debt in the year	22		35,829		25,575
Net debt at 31 December 2003			(388,176)		(413,751)
Net debt at 31 December 2004	22		(352,347)		(388,176)

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.

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 2004. Intra group sales, profits and balances are eliminated on consolidation.

Turnover

Turnover is recognised on an accruals basis and principally relates to the sale of power generation capacity to related undertakings during the year in accordance with the capacity tolling arrangements.

Fixed assets and depreciation

Fixed assets are stated at the original cost less accumulated 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 expected useful economic life. The useful economic lives of assets held in the year have been estimated as follows:

Power station	10 - 30 years
Gas turbine components	3 - 15 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 approximate suppliers refurbishment costs of each component, spread over the length of its expected useful life.

Stocks

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

Deferred tax

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.

Humber Power Limited

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 expected useful life, which is deemed to be between 10 and 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 was 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.

Restatement of prior year comparatives

During the year the company changed its classification method for fixed assets and stocks. The comparative figures have been restated to reflect this change.

Previously, prior to use and during refurbishment, turbine components were classified as stocks and transferred to fixed assets when brought into use. In the current year, from the point of purchase through to sale or disposal, turbine components are treated as fixed assets. At times of refurbishment the components continue to be treated as fixed assets and are not taken into stock.

The effect of the change in accounting policy was to increase tangible assets in 2003 by £ 9,154,000 and decrease stock by the same amount. There is no impact on the profit and loss account.

Humber Power Limited

Notes to the financial statements for the period ended 31 December 2004

1 Operating profit

	2004 £'000	2003 £'000
Operating profit is stated after charging		
Depreciation		
- owned assets	11,911	12,429
- assets held under finance leases	15,295	17,102
The total amount charged to the profit and loss account in respect of finance leases was £34,221,000 (31 December 2003: £35,306,000) of which £18,926,000 (31 December 2003: £18,206,000) is shown as interest and £15,295,000 (31 December 2003: £17,102,000) is shown as depreciation)	27,206	29,531
Auditors' remuneration – audit fees and expenses:		
- parent company	45	32
- subsidiary undertaking	-	-
- Group	45	32
Auditors' remuneration – non audit fees	62	51

2 Directors' emoluments

The directors received no emoluments from the company during the year (31 December 2003: £Nil).

3 Employee information

The company has no direct employees. However, payments amounting to £ 3,677,000 (2003: £3,726,000) were made during the year in respect of an average of 70 staff (2003: 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:

	2004 £'000	2003 £'000
Wages and salaries	3,085	3,169
Social security costs	351	322
Other pension costs	241	235
	3,677	3,726

Humber Power Limited

4 Interest and similar changes

	2004 £'000	2003 £'000
Payable		
Bank	3	4
Finance lease costs	18,926	18,206
Interest rate swaps	10,115	13,524
	29,044	31,734
Receivable		
Bank interest	(3,965)	(1,647)
Net interest payable	25,079	30,087

5 Taxation

The charge based on the profits for the year comprises:

	2004 £'000	2003 £'000
Corporation Tax:		
Current year	13,850	8,035
Adjustment in respect of prior year	(7)	-
Deferred taxation (note 15)	2,528	1,673
	16,371	9,708

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:

	2004 £'000	2003 £'000
Profit on ordinary activities before taxation	54,510	32,521
Taxation on profit on ordinary activities at rate of 30% (2003 30%)	16,353	9,756
Effects of:		
Accelerated capital allowances	(2,519)	(1,708)
Expenses not deductible for tax purposes	16	7
Other timing differences	-	(20)
Current taxation charge	13,850	8,035

Humber Power Limited

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 £38,139,000 (year ended 31 December 2003: £22,810,000).

7 Dividends

	2004 £'000	2003 £'000
Paid	25,000	12,000
Proposed	13,139	10,800
	38,139	22,800

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 2003 (as restated)	6	2,204	533,767	89,067	1,376	626,420
Additions	-	-	-	5,370	174	5,544
Disposals	-	-	(20,668)	(1,501)	-	(22,169)
At 31 December 2004	6	2,204	513,099	92,936	1,550	609,795
Depreciation						
At 31 December 2003 (as restated)	-	-	108,415	71,806	1,018	181,239
Disposals	-	-	(4,821)	(265)	-	(5,086)
Charge for the year	-	-	27,018	-	188	27,206
At 31 December 2004	-	-	130,612	71,541	1,206	203,359
Net book amount						
At 31 December 2004	6	2,204	382,477	21,395	344	406,436
At 31 December 2003 (as restated)	6	2,204	425,352	17,261	358	445,181

The cost of assets held under finance leases at 31 December 2004 amounted to £433,678,000 (31 December 2003: £454,346,000) with accumulated depreciation of £140,728,000 (31 December 2003: £123,925,000).

Humber Power Limited

Company	Power station assets £'000	Gas turbine components £'000	Motor vehicles, plant and machinery £'000	Total £'000
Cost				
At 31 December 2003 (as restated)	535,194	89,067	558	624,819
Additions	-	5,370	174	5,544
Disposals	(20,668)	(1,501)	-	(22,169)
At 31 December 2004	514,526	92,936	732	608,194
Depreciation				
At 31 December 2003 (as restated)	108,414	71,806	241	180,461
Disposals	(4,821)	(265)	-	(5,086)
Charge for the year	27,018	-	153	27,171
At 31 December 2004	130,611	71,541	394	202,546
Net book amount				
At 31 December 2004	383,915	21,395	338	405,648
At 31 December 2003 (as restated)	426,780	17,261	317	444,358

As indicated on page 9, comparative figures have been restated to reflect a reclassification.

The costs of assets held under finance leases at 31 December 2004 amounted to £581,559,000 (31 December 2003: £560,891,000) with accumulated depreciation of £170,895,000 (31 December 2003: £149,569,000).

No provision has been made for decommissioning of the plant in these accounts. The directors do not believe that the amount involved would be material.

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 2003 and 31 December 2004 amounted to £100.

Humber Power Limited

10 Stocks

	Group and Company	
	2004 £'000	2003 £'000
Consumable spares	5,414	5,308

11 Debtors – amounts falling due within one year

	Group 2004 £'000	Group 2003 £'000	Company 2004 £'000	Company 2003 £'000
Trade debtors	1,015	830	1,015	830
Amount due from related parties	9,198	2,298	9,198	2,298
Other debtors	2,158	2,082	2,158	2,082
Prepayments and accrued income	16,396	12,697	16,387	12,697
Deferred taxation (note 16)	-	-	-	936
	28,767	17,907	28,758	18,843

12 Debtors – amounts falling due after more than one year

	Group 2004 £'000	Group 2003 £'000	Company 2004 £'000	Company 2003 £'000
Amounts due from subsidiary undertaking	-	-	80,330	85,933

Humber Power Limited

13 Creditors – amounts falling due within one year

	Group	Group	Company	Company
	2004	2003	2004	2003
	£'000	£'000	£'000	£'000
Trade creditors	1,076	1,438	1,076	1,438
Corporation Tax	8,609	3,732	2,456	30
Other taxes and social security	3,557	3,505	3,559	3,505
Accruals and deferred income	2,954	4,346	2,954	4,346
Other creditors (note 25)	14	6	14	6
Obligations under finance leases	5,747	1,944	6,220	5,617
Proposed dividend	13,139	10,800	13,139	10,800
	35,096	25,771	29,418	25,742

14 Creditors – amounts falling due after more than one year

	Group	Group	Company	Company
	2004	2003	2004	2003
	£'000	£'000	£'000	£'000
Obligations under finance leases	438,409	444,511	551,725	557,946

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
	2004	2003	2004	2003
	£'000	£'000	£'000	£'000
Finance leases				
Amounts repayable by instalments:				
Between one and two years	6,792	4,740	6,877	6,319
Between two and five years	25,924	26,208	25,135	23,093
Over five years	405,693	413,563	519,713	528,534
	438,409	444,511	551,725	557,946

The finance lease bears interest at a margin above LIBOR. The rate is effectively fixed using interest rate swaps at rates varying between 7.0% and 7.7%, which expire between 2009 and 2014. The finance lease obligations of the company represent amounts owing to Humberland Limited, its subsidiary undertaking.

Humber Power Limited

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

	Group 2004 £'000	Group 2003 £'000	Company 2004 £'000	Company 2003 £'000
Finance leases	427,728	443,069	502,171	511,450

15 Provisions for liabilities and charges

	Group Deferred taxation £'000	Company Deferred taxation £'000
At 31 December 2003	27,944	-
Charged to the profit and loss account (note 5)	2,528	1,783
At 31 December 2004 (note 16)	30,472	1,783

16 Deferred taxation

Group	2004 Provision £'000	2003 Provision £'000
Accelerated capital allowances	(1,786)	(2,621)
Other timing differences	32,178	33,244
Short term timing differences	80	-
	30,472	30,623
Losses available for future relief	-	(2,679)
	30,472	27,944
Company	2004 Provision £'000	2003 Provision £'000
Accelerated capital allowances	849	810
Other timing differences	854	931
Short term timing differences	80	-
	1,783	1,741
Losses available for future relief	-	(2,677)
	1,783	(936)

Deferred tax is provided for at 30% (2003 30%)

Humber Power Limited

17 Called up share capital

	2004 £'000	2003 £'000
Authorised, allotted, called up and fully paid		
20,000,000 Ordinary shares of £1 each	20,000	20,000

18 Share Premium account

	Group £'000	Company £'000
At 31 December 2003 and at 31 December 2004	8,436	8,436

19 Profit and loss account

	Group £'000	Company £'000
At 31 December 2003	13	597
Retained profit for the year	-	-
At 31 December 2004	13	597

20 Reconciliation of movements in shareholders' funds

	Group 2004 £'000	Group 2003 £'000	Company 2004 £'000	Company 2003 £'000
Profit for the financial year	38,139	22,813	38,139	22,810
Dividends paid and proposed	(38,139)	(22,800)	(38,139)	(22,800)
Net increase in shareholders funds for year	-	13	-	10
Opening shareholders' funds	28,449	28,436	29,033	29,023
Closing shareholders' funds	28,449	28,449	29,033	29,033

Humber Power Limited

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

	2004 £'000	2003 £'000
Operating profit	80,772	62,608
Depreciation charge	27,206	29,531
(Increase) / Decrease in stocks	(106)	447
(Increase) / Decrease in debtors	(11,117)	4,223
(Decrease) in creditors	(1,743)	(3,260)
Net cash inflow from operating activities	95,012	93,549

22 Analysis of net debt

	At 31 December 2003 £'000	Cash flows £'000	At 31 December 2004 £'000
Cash at bank and in hand	58,279	33,530	91,809
Finance leases	(446,455)	2,299	(444,156)
	(388,176)	35,829	(352,347)

23 Capital commitments

At 31 December 2004 the group had capital commitments contracted for of £ 8,502,604 (31 December 2003: £3,479,239).

24 Pensions

The group pension contributions during the year amounted to £Nil (31 December 2003: £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) Tolling revenues

The company has received £ 52,993,626 (2003: £56,276,266) 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.

Humber Power Limited

Prepayments and accrued income includes £4,757,888 (2003: £5,092,171) and amounts due from related parties includes £725,000 (2003: £1,681,048) receivable from a fellow group company of Chanter Petroleum Limited under the tolling contract.

The company has received £79,686,713 (2003: £88,074,772) 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.

Prepayments and accrued income includes £ 6,882,299 (2003: £5,638,465) and amounts due from related parties includes £8,472,474 (2003: £617,291) receivable from a fellow group company of GB Gas Holdings Limited under the tolling contract

Other creditors includes £13,774 (2003: £6,454) payable to a fellow group company of GB Gas Holdings Limited under the tolling contract.

(2) SWAP payments

During the year ending 31 December 2004 SWAP interest payment were made in the sum of £3,252,205 to GB Holdings Limited and £ 2,168,137 to Chanter Petroleum Limited in respect of two interest rate SWAPs. At 31 December 2004 accruals included £ 574,511 (31 December 2003: £922,290) of SWAP interest in respect of GB Holdings Limited and £ 383,007 (December 2003: £614,860) in respect of Chanter Petroleum.

(3) Secondment of Staff

The company has no direct employees. However, payments amounting to £ 3,677,000 (2003: £3,726,000) were made during the year in respect of an average of 70 (2003: 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. The amount outstanding to this company at the year end within trade creditors was £ 350,000 (2003: £300,154).

26 Ultimate parent undertaking and controlling party

In accordance with the terms of the Shareholder Agreement dated 25th May 2001, 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