

Humber Power Limited
Annual report
for the year ended 31 December 2003

Registered Number 2571241



A34 *AL2H8ZOC* 0397
COMPANIES HOUSE 26/10/04

Humber Power Limited

Annual report for the year ended 31 December 2003

Contents

Directors' report for the year ended 31 December 2003	1
Independent Auditors' report to the members of Humber Power Limited.....	3
Consolidated profit and loss account for the year ended 31 December 2003	4
Balance sheets as at 31 December 2003	5
Consolidated cash flow statement for the year ended 31 December 2003	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 2003	10

Humber Power Limited

Directors' report for the year ended 31 December 2003

The directors present their report and the audited financial statements of the company for the year ended 31 December 2003.

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 £22,813,000 (2002: £38,439,000). An interim dividend of £12,000,000 (2002: £54,000,000) was paid during the year and the directors recommend a final dividend of £10,800,000 (2002: £8,699,000) leaving a retained profit for the year of £13,000 (2002: Loss £24,260,000), which has been transferred to reserves.

Charitable donations

During the year the group made charitable donations of £2,105 (2002: £1,680).

Directors and their interests

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

P Sauquet	(French)
Jean Pierre Matielle	(French)
Michael Garstang	(British)
Alan Bennett	(British)
Didier Chanoine	(French)
Luc Jaubert	(French)
Simon Goodwin	(British) appointed 6 March 2003
Sarwjit Sambhi	(British) appointed 29 th January 2004
Stephen Mancey	(British) appointed 6 March 2003, 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 2003 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 9 days (2002: 20 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.

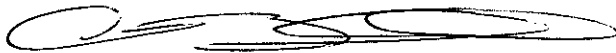
The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2003 and that applicable accounting standards have 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
21 October 2004

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.

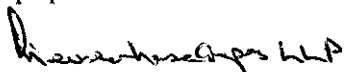
Basis of audit opinion

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 2003 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

Chartered Accountants and Registered Auditors

Hull

22 Oct 2004

Humber Power Limited

Consolidated profit and loss account for the year ended 31 December 2003

	Note	2003 £'000	2002 £'000
Turnover		122,379	128,295
Cost of sales		(36,271)	(37,959)
Gross profit		86,108	90,336
Distribution expenses		(9,098)	(8,948)
Administrative expenses		(14,402)	(10,048)
Operating profit	1	62,608	71,340
Net interest payable	4	(30,087)	(26,733)
Profit on ordinary activities before taxation		32,521	44,607
Taxation	5	(9,708)	(6,168)
Profit for the year		22,813	38,439
Dividends paid and proposed	7	(22,800)	(62,699)
Retained profit/(loss) for the year	19	13	(24,260)

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

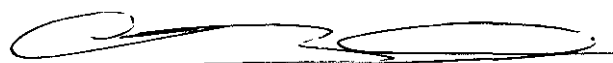
The group has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented.

Humber Power Limited

Balance sheets as at 31 December 2003

	Note	Group 2003 £'000	Group 2002 £'000	Company 2003 £'000	Company 2002 £'000
Fixed assets					
Tangible assets	8	436,027	457,831	435,204	456,973
Investments	9	-	-	-	-
		436,027	457,831	435,204	456,973
Current assets					
Stocks	10	14,462	13,122	14,462	13,122
Debtors					
- due within one year	11	17,907	22,130	18,843	44,227
- due after more than one year	12	-	-	85,933	72,379
Cash at bank and in hand		58,279	33,194	58,279	33,194
		90,648	68,446	177,517	162,922
Creditors – amounts falling due within one year	13	(25,771)	(25,870)	(25,742)	(27,231)
Net current assets		64,877	42,576	151,775	135,691
Total assets less current liabilities		500,904	500,407	586,979	592,664
Creditors – amounts falling due after more than one year	14	(444,511)	(445,700)	(557,946)	(563,641)
Provisions for liabilities and charges	15	(27,944)	(26,271)	-	-
Net assets		28,449	28,436	29,033	29,023
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	-	597	587
Equity shareholders' funds	20	28,449	28,436	29,033	29,023

The financial statements on pages 4 to 20 were approved by the board of directors on 21 October 2004 and were signed on its behalf by:



A Bennett
Director

Humber Power Limited

Consolidated cash flow statement for the year ended 31 December 2003

	Note	2003 £'000	2003 £'000	2002 £'000	2002 £'000
Net cash inflow from operating activities	21		93,549		124,208
Returns on investment and servicing of finance					
Interest received		1,647		2,558	
Interest paid		(13,528)		(13,242)	
Interest element of finance lease rental payments		(18,206)		(16,049)	
Net cash (outflow) from returns on investments and servicing of finance			(30,087)		(26,733)
Taxation			(7,674)		-
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(9,535)		(11,739)	
Fixed asset disposals		21		-	
Dividends paid		(20,699)		(54,000)	
Net cash (outflow) from capital expenditure and financial investment			(30,213)		(65,739)
Cash inflow before use of liquid resources and financing			25,575		31,736
Financing					
Redemption of loan stock		-		(25,000)	
Capital element of finance lease rental payments	22	(490)		(3,744)	
Net cash (outflow) from financing			(490)		(28,744)
Increase in net cash	22		25,085		2,992

Humber Power Limited

Reconciliation of net cash flow to movement in net debt

	Note	2003 £'000	2003 £'000	2002 £'000	2002 £'000
Increase in cash for the year	22	25,085		2,992	
Cash outflow from decrease in debt and lease financing		490		28,744	
Movement in net debt in the year	22		25,575		31,736
Net debt at 31 December 2002			(413,751)		(445,488)
Net debt at 31 December 2003	22		(388,176)		(413,752)

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 2003. 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 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.

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.

Humber Power Limited

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 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.

Humber Power Limited

Notes to the financial statements for the period ended 31 December 2003

1 Operating profit

	2003 £'000	2002 £'000
Operating profit is stated after charging		
Depreciation		
- owned assets	12,429	10,866
- assets held under finance leases	17,102	18,761
The total amount charged to the profit and loss account in respect of finance leases was £36,630,000 (31 December 2002: £34,810,000) of which £19,528,000 (31 December 2002: £16,049,000) is shown as interest and £17,102,000 (31 December 2002: £18,761,000) is shown as depreciation	29,531	29,767
Auditors' remuneration – audit fees and expenses:		
- parent company	32	28
- subsidiary undertaking	-	-
- Group	32	28
Auditors' remuneration – non audit fees	51	88

2 Directors' emoluments

The directors received no emoluments from the company during the year (2002: £Nil).

3 Employee information

The company has no direct employees. However, payments amounting to £3,726,000 (2002: £3,311,000) were made during the year in respect of an average of 71 staff (2002: 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:

	2003 £'000	2002 £'000
Wages and salaries	3,169	2,822
Social security costs	322	286
Other pension costs	235	203
	3,726	3,311

Humber Power Limited

4 Interest and similar changes

	2003 £'000	2002 £'000
Payable		
Interest rate swaps	13,524	12,239
Bank	4	1,003
Finance lease costs	18,206	16,049
	31,734	29,291
Receivable		
Bank interest	(1,647)	(2,558)
Net interest payable	30,087	26,733

5 Taxation

The charge based on the profits for the year comprises:

	2003 £'000	2002 £'000
Corporation Tax	8,035	3,371
Deferred taxation (note 15)	1,673	3,522
Consortium relief	-	(725)
	9,708	6,168

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:

	2003 £'000	2002 £'000
Profit on ordinary activities before taxation	32,521	44,655
Taxation on profit on ordinary activities at rate of 30% (2003 30%)	9,756	13,397
Effects of:		
Accelerated capital allowances	(1,124)	(1,460)
Expenses not deductible for tax purposes	6	24
Other timing differences	1,133	704
Utilisation of tax losses	(1,712)	(9,294)
Adjustments in respect of previous periods	(24)	-
Current taxation charge	8,035	3,371

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 £22,736,000 (year ended 31 December 2002: £38,439,000).

7 Dividends

	2003 £'000	2002 £'000
Paid	12,000	54,000
Proposed	10,800	8,699
	22,800	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 2002	6	2,204	533,767	47,121	1,278	584,376
Additions	-	-	-	9,409	126	9,535
Disposals	-	-	-	(6,026)	(28)	(6,054)
At 31 December 2003	6	2,204	533,767	50,504	1,376	587,857
Depreciation						
At 31 December 2002	-	-	90,483	35,186	876	126,545
Disposals	-	-	-	(4,239)	(7)	(4,246)
Charge for the year	-	-	17,932	11,450	149	29,531
At 31 December 2003	-	-	108,415	42,397	1,018	151,830
Net book amount						
At 31 December 2003	6	2,204	425,352	8,107	358	436,027
At 31 December 2002	6	2,204	443,284	11,935	402	457,831

The cost of assets held under finance leases at 31 December 2003 amounted to £454,346,000 (31 December 2002: £454,346,000) with accumulated depreciation of £123,925,000 (2002: £106,456,000).

Humber Power Limited

Company	Power station assets £'000	Gas turbine components £'000	Motor vehicles, plant and machinery £'000	Total £'000
Cost				
At 31 December 2002	535,194	47,121	446	582,761
Additions	-	9,409	126	9,535
Disposals	-	(6,026)	(14)	(6,040)
At 31 December 2003	535,194	50,504	558	586,256
Depreciation				
At 31 December 2002	90,482	35,186	120	125,788
Disposals	-	(4,239)	(7)	(4,246)
Charge for the year	17,932	11,450	128	29,510
At 31 December 2003	108,414	42,397	241	151,052
Net book amount				
At 31 December 2003	426,780	8,107	317	435,204
At 31 December 2002	444,712	11,935	326	456,973

The costs of assets held under finance leases at 31 December 2003 amounted to £581,559,000 (2002: £581,559,000) with accumulated depreciation of £149,569,000 (2002: £127,860,000).

As at 31 December 2002 a full impairment review was undertaken in accordance with FRS11. As a result of this review it was considered that no impairment of fixed assets was necessary. Subsequently, the assumptions within the 31 December 2002 review have been compared to actual outturn as a result of which it is considered no impairment of Fixed Assets is necessary at 31 December 2003.

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 2002 and 31 December 2003 amounted to £100.

Humber Power Limited

10 Stocks

	Group and company	
	2003 £'000	2002 £'000
Strategic spares	9,154	8,465
Consumable spares	5,308	4,657
	14,462	13,122

11 Debtors – amounts falling due within one year

	Group	Group	Company	Company
	2003 £'000	2002 £'000	2003 £'000	2002 £'000
Trade debtors	830	1,145	830	1,145
Dividend receivable from subsidiary	-	-	-	19,403
Amount due from related parties	2,298	725	2,298	725
Other debtors	2,082	3,484	2,082	3,484
Prepayments and accrued income	12,697	16,776	12,697	16,819
Deferred taxation (note 16)	-	-	936	2,651
	17,907	22,130	18,843	44,227

12 Debtors – amounts falling due after more than one year

	Group	Group	Company	Company
	2003 £'000	2002 £'000	2003 £'000	2002 £'000
Amounts due from subsidiary undertaking	-	-	85,933	72,379

Humber Power Limited

13 Creditors – amounts falling due within one year

	Group	Group	Company	Company
	2003	2002	2003	2002
	£'000	£'000	£'000	£'000
Trade creditors	1,438	3,128	1,438	3,119
Corporation Tax	3,732	3,371	30	782
Other taxes and social security	3,505	3,250	3,505	3,251
Accruals and deferred income	4,346	6,020	4,346	6,069
Other creditors (note 25)	6	157	6	157
Obligations under finance leases	1,944	1,245	5,617	5,154
Proposed dividend	10,800	8,699	10,800	8,699
	25,771	25,870	25,742	27,231

14 Creditors – amounts falling due after more than one year

	Group	Group	Company	Company
	2003	2002	2003	2002
	£'000	£'000	£'000	£'000
Obligations under finance leases	444,511	445,700	557,946	563,641

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
	2003	2002	2003	2002
	£'000	£'000	£'000	£'000
Finance leases				
Amounts repayable by instalments:				
Between one and two years	4,740	4,407	6,319	5,696
Between two and five years	26,208	21,979	23,093	21,158
Over five years	413,563	419,314	528,534	536,787
	444,511	445,700	557,946	563,641

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 in 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	Group	Company	Company
	2003	2002	2003	2002
	£'000	£'000	£'000	£'000
Finance leases	446,455	446,945	563,563	568,795

15 Provisions for liabilities and charges

	Group Deferred taxation £'000
At 31 December 2002	26,271
Charged to the profit and loss account (note 5)	1,673
At 31 December 2003 (note 16)	27,944

16 Deferred taxation

	2003	2002
	Provision made	Provision made
Group	£'000	£'000
Accelerated capital allowances	(2,621)	(3,758)
Other timing differences	33,243	34,366
	30,622	30,608
Losses available for future relief	(2,678)	(4,337)
	27,944	26,271

	2003	2002
	Provision made	Provision made
Company	£'000	£'000
Accelerated capital allowances	810	723
Other timing differences	932	963
	1,742	1,686
Losses available for future relief	(2,678)	(4,337)
	(936)	(2,651)

Humber Power Limited

17 Called up share capital

	2003 £'000	2002 £'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 2002 and at 31 December 2003	8,436	8,436

19 Profit and loss account

	Group £'000	Company £'000
At 31 December 2002	-	587
Retained profit / (loss) for the year	13	10
At 31 December 2003	13	597

20 Reconciliation of movements in shareholders' funds

	Group 2003 £'000	Group 2002 £'000	Company 2003 £'000	Company 2002 £'000
Profit for the financial year	22,813	38,439	22,810	38,439
Dividends paid and proposed	(22,800)	(62,699)	(22,800)	(62,699)
Net increase/(decrease) in shareholders funds for year	13	(24,260)	10	(24,260)
Opening shareholders' funds	28,436	52,696	29,023	53,283
Closing shareholders' funds	28,449	28,436	29,033	29,023

Humber Power Limited

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

	2003 £'000	2002 £'000
Operating profit	62,608	71,340
Depreciation charge	29,531	29,027
Decrease in stocks (net transfers to / from fixed assets)	447	9,613
Decrease in debtors	4,223	12,373
(Decrease)/increase in creditors	(3,260)	1,855
Net cash inflow from operating activities	93,549	124,208

22 Analysis of net debt

	At 31 December 2002 £'000	Cash flows £'000	At 31 December 2003 £'000
Cash at bank and in hand	33,194	25,085	58,279
Finance leases	(446,945)	490	(446,455)
	(413,751)	25,575	(388,176)

23 Capital commitments

At 31 December 2003 the group had capital commitments contracted for of £3,479,239 (2002: £5,761,757).

24 Pensions

The group pension contributions during the year amounted to £Nil (2002: £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 £56,276,266 (2002: £52,732,533) 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 £5,092,171 (2002: £4,419,182) and Other Debtors includes £956,048 (2002: £19,426) receivable from a fellow group company of Chanter Petroleum Limited under the tolling contract.

Other Creditors includes £Nil (2002: £9,898) payable to a fellow group company of Chanter Petroleum Limited under the tolling contract.

The company has received £88,074,772 (2002: £75,561,814) 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 £5,638,465 (2002: £6,773,754) and Other Debtors includes £617,291 (2002: £49,462) receivable from a fellow group company of GB Gas Holdings Limited.

Other Creditors includes £6,454 (2002: £147,503) payable to a fellow group company of GB Gas Holdings Limited under the tolling contract.

(2) SWAP payments

During the year ending 31 December 2003 SWAP interest payment were made in the sum of £3,938,347 to GB Holdings Limited and £2,625,565 to Chanter Petroleum Limited in respect of two interest rate SWAPs. At 31 December 2003 accruals included £922,290 (2002: £1,041,323) of SWAP interest in respect of GB Holdings Limited and £614,860 (2002: £587,434) in respect of Chanter Petroleum.

(3) Secondment of Staff

The company has no direct employees. However, payments amounting to £3,726,000 (2002: £3,311,000) were made during the year in respect of an average of 71 (2002: 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 £300,154 (2002: £284,340).

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