

***BRITISH ELECTRICITY INTERNATIONAL (OS) LIMITED***

Company No: 1973568

**DIRECTORS' REPORT AND ACCOUNTS**

For the year ended 31 December 2003



# **BRITISH ELECTRICITY INTERNATIONAL (OS) LIMITED**

## **DIRECTORS' REPORT**

The Directors present their report and unaudited accounts for the year ended 31 December 2003.

### **1. PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The Company did not trade during the period nor the preceding period and was classified as dormant.

### **2. DIRECTORS**

Mr P G Cox  
Mr A S J Ramsay

Mr A S J Ramsay holds one Ordinary Share in the Company as a nominee for International Power plc, the holding company. None of the other Directors had any interest in the share capital of the Company during the year.

The interests of the Directors in the shares of International Power plc, the Company's ultimate holding company, at 1 January 2003 and 31 December 2003 were as follows:

	<b>Ordinary Shares</b>		<b>Executive Share Options</b>		<b>Sharesave Options</b>	
	<b>31/12/03</b>	<b>01/01/03</b>	<b>31/12/03</b>	<b>01/01/03</b>	<b>31/12/03</b>	<b>01/01/03</b>
P G Cox	25,000	15,000	648,724	148,724	18,250	18,250
A S J Ramsay	7,453	7,711	199,258	102,830	18,250	18,250

Detailed below is the Directors' interests in share options held in International Power plc during the period:

<b>P G Cox</b>	<b>Grant Date</b>	<b>Number of Options</b>	<b>Exercisable Price</b>	<b>Date Exercisable</b>
(ESOS)	24.05.2002	15,306	196.00p	2005-2012
(ESOS)	24.05.2002	133,418	196.00p	2005-2012
(ESOS)	10.03.2003	500,000	70.00p	2006-2013
(Sharesave)	01.10.2002	18,250	90.00p	2007-2008

**Held at 31.12.03**

**666,974**

<b>A S J Ramsay</b>	<b>Grant Date</b>	<b>Number of Options</b>	<b>Exercisable Price</b>	<b>Date Exercisable</b>
(ESOS)	2.12.1997	5,624	386.09p	2000-2007
(ESOS)	1.12.1998	6,748	352.61p	2001-2008
(ESOS)	3.10.2000	28,628	311.75p	2003-2010
(ESOS)	3.10.2000	5,052	311.75p	2003-2010
(ESOS)	22.03.2001	16,277	235.00p	2004-2011
(ESOS)	22.03.2001	6,063	235.00p	2004-2011
(ESOS)	24.05.2002	34,438	196.00p	2005-2012
(ESOS)	10.03.2003	96,428	70.00p	2006-2010
(Sharesave)	01.10.2002	18,250	90.00p	2007-2008

**Held at 31.12.03**

**217,508**

## **BRITISH ELECTRICITY INTERNATIONAL (OS) LIMITED**

As at 31 December 2003, 3,003,312 International Power plc Ordinary shares were held in trust for the benefit of current and former employees of International Power plc and its subsidiary companies. As the Directors of the Company (together with all other employees of International Power and its subsidiaries) are potential beneficiaries of the shares held in trust they are therefore regarded as having an interest in the whole of these shares. Details of the International Power employee share plans for which these shares may be utilised are disclosed in the International Power plc Report and Accounts for the year ended 31 December 2003.

On 10 March 2003, the following Conditional Awards were made to the Directors under the Rules of the International Power 2002 Performance Share Plan:

	No. of shares under award as at 01.01.2003	Conditional awards made during the year	Date of award	Market value of an Ordinary Share as at date of award	End of performance period	No. of shares under award as at 31.12.2003
P G Cox	148,724	675,879	10.03.2003	70.00p	31.12.2005	824,603
A S J Ramsay	34,438	96,429	10.03.2003	70.00p	31.12.2005	130,867

### **3. SHARE CAPITAL**

The Company was incorporated on 23 December 1985 with an authorised share capital of 100 Ordinary Shares of £1 each all of which have been issued and fully paid up.

### **4. AUDITORS**

For the year ended 31 December 2003 the Company was entitled to exemption under section 249aa(1) of the Companies Act 1985. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249b(2).

**By Order of the Board**



**I M Irvine**  
**Company Secretary**  
**15 October 2004**

## **BRITISH ELECTRICITY INTERNATIONAL (OS) LIMITED**

### **DIRECTORS' RESPONSIBILITIES**

In respect of the preparation of the accounts Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing those accounts, the Directors 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, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts 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 accounts comply with the Companies Acts 1985. They have a general responsibility for taking such steps as are reasonably open to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

**BRITISH ELECTRICITY INTERNATIONAL (OS) LIMITED**

**BALANCE SHEET**

	<i>Note</i>	<i>As at</i> <b>31.12.2003</b> £	<i>As at</i> <b>01.01.2003</b> £
Current Assets			
Amount due from holding company (British Electricity International Ltd)	3	100	100
Net assets employed		100	100
Called up share capital	4	100	100
Capital and reserves		100	100

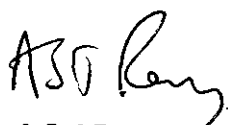
The accounting policies and notes on page 4 form an integral part of these accounts.

For the year ended 31 December 2003 the Company was entitled to exemption under section 249aa(1) of the Companies Act 1985.

No members have required the Company to obtain an audit of its accounts for the year in question in accordance with section 249b(2).

The Director's acknowledge their responsibility for: (i) Ensuring the Company keeps accounting records which comply with 221; and (ii) Preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company.

The accounts were approved by the Board of Directors on 15 October 2004.



**A S J Ramsay**  
**Director**  
**15 October 2004**

## **BRITISH ELECTRICITY INTERNATIONAL (OS) LIMITED**

### **NOTES TO THE ACCOUNTS**

#### **1. Accounting Policies**

Basis of preparation

The accounts have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Profit and Loss Account

The Company has not traded during this financial year nor in the preceding financial year and consequently has made neither a profit nor a loss.

#### **2. Directors' and Employees' Remuneration**

The Directors received no remuneration during the financial year in respect of their services to the Company (year ended 31 December 2002: nil). No other persons were employed by the Company during the year ended 31 December 2003 (year ended 31 December 2002: nil).

#### **3. Debtors**

	<b>31.12.2003</b>	<b>01.01.2003</b>
	<b>£</b>	<b>£</b>
Due from parent undertaking	100	100

#### **4. Share Capital**

	<b>31.12.2003</b>	<b>01.01.2003</b>
	<b>£</b>	<b>£</b>
<i>Authorised:</i>		
100 Ordinary Shares of £1 each	100	100
<i>Issued, allotted and fully paid:</i>		
100 Ordinary Shares of £1 each	100	100

#### **5. Ultimate Holding Company**

The Company's ultimate holding company is International Power plc, a company incorporated and registered in England and Wales. Copies of the accounts of International Power plc may be obtained from the following address:

The Company Secretary, International Power plc  
Senator House, 85 Queen Victoria Street, London, EC4V 4DP

#### **6. Immediate Parent Undertaking**

The Company's immediate parent undertaking is British Electricity International Limited, a company incorporated and registered in England and Wales.