

Total Gas & Power Limited

Annual report and financial statements

For the year ended 31 December 2004

Registered No. 2172239



Total Gas & Power Limited

Registered No. 2172239

DIRECTORS AND ADVISORS

Directors

D Chanoine
G Broggi
L Jaubert
JP Mateille
J Shead

Secretary

D Faragher

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Bankers

HSBC Bank plc
133 Regent Street
London
WC2R 2PS

Registered Office

33 Cavendish Square
London
W1G 0PW

Total Gas & Power Limited

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report, for the year ended 31 December 2004.

Results and dividends

The loss after taxation amounted to £ 5,048,000 for the year ended 31 December 2004 (2003 – profit £56,649,000). The Directors of the company propose no dividend be paid in respect of the financial year (2003 - £nil).

Review of the business

The activities of the company are to trade natural gas and electricity, and to sell gas and electricity supplies to industrial, commercial and public sector customers. Turnover has increased during the year and the directors expect the current level of business to be maintained and developed further in the future.

On 21st December 2004 the Company issued new share capital and repaid a loan to another group company. Details of these transactions are shown in the financial statements.

Directors and their interests

The directors who served during the year and subsequently were as follows:

D Chanoine
G Broggi
L Jaubert
JP Mateille
J Shead

There are no directors interests requiring disclosure under the Companies Act 1985.

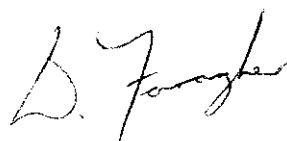
Creditors payment policy

The Company's policy concerning the payment of the majority of its trade creditors is to agree terms at the commencement of trading, aligned to industry standards. The Company's average creditors payment period under these contracts is 20 days.

Auditors

Pursuant to an elective resolution to dispense with the requirement to hold Annual General Meetings, the Company is not obliged to reappoint its auditors annually and Ernst & Young LLP will therefore continue in office.

By order of the board,



D Faragher
Secretary

4th May 2005

Total Gas & Power Limited

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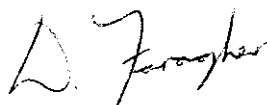
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Auditors

Ernst & Young LLP have indicated their willingness to continue in office. A resolution for their reappointment will be proposed at the Annual General Meeting in accordance with section 384 of the Companies Act 1985.

By order of the board,



D Faragher
Secretary

4th May 2005

Total Gas & Power Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements 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 of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Total Gas & Power Limited

INDEPENDENT AUDITORS' REPORT

To the members of Total Gas & Power Limited

We have audited the company's financial statements for the year ended 31 December 2004 which comprise the Profit and Loss Account, Balance Sheet, and the related notes 1 to 20. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit 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 company's circumstances, consistently applied and adequately disclosed.

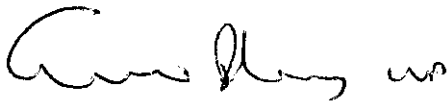
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

Total Gas & Power Limited

INDEPENDENT AUDITORS' REPORT (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 December 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor

1 More London Place
London
SE1 2AF

4th May 2005

Total Gas & Power Limited

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2004

	<i>Notes</i>	<i>2004</i> £'000	<i>2003</i> £'000
Turnover	2	6,231,050	5,467,948
Cost of sales		<u>(6,020,449)</u>	<u>(5,209,067)</u>
Gross profit		210,601	258,881
Distribution costs		(165,597)	(139,422)
Loss on foreign currency transactions		(9,310)	(4,449)
Administrative expenses		<u>(42,365)</u>	<u>(42,135)</u>
Operating (loss) / profit	3	(6,671)	72,875
Interest receivable	6	2,323	4,948
Interest payable	7	<u>(1,396)</u>	<u>(429)</u>
(Loss) / Profit on ordinary activities before taxation		(5,744)	77,394
Tax on profit on ordinary activities	8	<u>696</u>	<u>(20,745)</u>
Retained (loss) / profit for the year	16	<u><u>(5,048)</u></u>	<u><u>56,649</u></u>

The company had no other recognised gains and losses during either year.

Total Gas & Power Limited

BALANCE SHEET

at 31 December 2004

	Notes	2004 £'000	2003 £'000
Fixed assets			
Intangible assets	9	6,034	9,655
Tangible assets	10	<u>591</u>	<u>1,729</u>
		6,625	11,384
Current assets			
Stock	11	3,673	1,066
Debtors	12	900,488	690,253
Cash at bank and in hand		<u>13,807</u>	<u>70,718</u>
		917,968	762,037
Creditors: amounts falling due within one year	13	(795,864)	(785,404)
Net current assets / (liabilities)		<u>122,104</u>	<u>(23,367)</u>
Net assets / (liabilities)		<u>128,729</u>	<u>(11,983)</u>
Capital and reserves			
Called up equity share capital	14	145,800	40
Profit and loss account	16	(17,071)	(12,023)
Equity shareholder's funds / (deficit)	15	<u>128,729</u>	<u>(11,983)</u>



L Jaubert
Director



J P Mateille
Director

4th May 2005

Total Gas & Power Limited

NOTES TO THE FINANCIAL STATEMENTS

31 December 2004

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Basis of preparation

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

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset evenly over its expected useful life, as follows:

Lease premium on short leasehold property	-	Up to the next rent review
Office equipment	-	4 years
Vehicles	-	4 years
Computer equipment	-	Up to 4 years

Intangible assets

Intangible assets acquired separately from a business are capitalised at cost. Intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition, subject to the constraint that, unless the asset has a readily ascertainable market value, the fair value is limited to an amount that does not create or increase any negative goodwill arising on the acquisition. Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the year in which it is incurred.

Intangible assets are amortised on a straight line basis over their estimated useful lives of up to 5 years. The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Pension costs

For defined benefit schemes, the expected cost of providing pensions, as calculated by professionally qualified actuaries, is charged to the profit and loss account to spread the cost over the service lives of employees in the scheme so that the pension cost is a substantially level percentage of current and expected future pensionable payroll. Any difference between the pension costs and the contributions paid to the scheme is shown as an asset or liability in the balance sheet.

Operating leases

Rentals payable by the company under operating leases are charged to the profit and loss account as incurred.

Cash flow statement

In accordance with paragraph 5 (a) of FRS1 (Revised) the company has not prepared a cash flow statement because it is a wholly owned subsidiary of a company whose consolidated financial statements include the company and are publicly available.

Total Gas & Power Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2004

1. Accounting policies (continued)

Group financial statements

In accordance with S228(2) of the Companies Act, the company is exempt from preparing group financial statements.

Taxation

Corporation tax is provided on taxable profits at the current rate.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to receive more, tax. Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted at the balance sheet date.

Stock

Stock consists of gas held in storage and is stated at the lower of cost and net realisable value. Net realisable value is based on market value or contracted sales price if available.

Cost of sales

Cost of sales includes the net result of trading contracts settled at dates prior to delivery.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate. All exchange differences are included in the profit and loss account.

2. Turnover

Turnover comprises the amounts derived from the provision of goods and services which fall within the company's ordinary activities, and is stated net of VAT. The turnover is attributable to the income from physical delivery of gas and electricity.

Turnover by geographical area of destination:	2004
	£'000
UK	4,468,397
Rest of Europe	1,735,423
Rest of World	27,230
	<hr/> 6,231,050 <hr/>

Total Gas & Power Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2004

3. Operating profit

Operating profit is stated after charging:	2004	2003
	£'000	£'000
Depreciation of owned assets (note 10)	1,181	8,095
Amortisation of goodwill (note 9)	3,621	3,017
Operating lease rentals	54,815	48,465
Auditors' remuneration -- audit services	146	145
-- non audit services	-	-

4. Directors' remuneration

	2004	2003
	£'000	£'000
Emoluments	1,955	1,221
	<hr/>	<hr/>
	2004	2003
	No.	No.
Members of UK defined benefit pension schemes	1	1
	<hr/>	<hr/>

The aggregate emoluments of the highest paid director were £ 1,016,749. (2003 - £ 449,527). This director was not a member of the UK pension scheme.

5. Employee costs

	2004	2003
	£'000	£'000
Wages and salaries	13,204	11,466
Social security costs	1,279	1,061
Other pension costs (note 18)	1,793	1,817
	<hr/>	<hr/>
	16,276	14,344
	<hr/>	<hr/>

The average number of employees during the year was 334 (2003 - 297).

6. Interest receivable

	2004	2003
	£'000	£'000
Bank interest receivable	11	2,119
Interest received from group companies	662	170
Interest received from third parties	1,650	2,659
	<hr/>	<hr/>
	2,323	4,948
	<hr/>	<hr/>

Total Gas & Power Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2004

7. Interest payable

	2004	2003
	£'000	£'000
Bank loans and overdrafts	-	24
Interest payable to group companies	603	129
Other loans	793	276
	<u>1,396</u>	<u>429</u>

8. Taxation

	2004	2003
	£'000	£'000
a) Tax on profit on ordinary activities.		
<i>UK Corporation tax</i>		
Current tax on income for the period	(1,260)	23,453
Adjustments in respect of prior periods	-	(1,325)
Total current tax charge / (credit)	<u>(1,260)</u>	<u>22,128</u>
Deferred tax: origination/(reversal) of timing differences (note 8d)	564	(1,383)
Tax charge / (credit) on profit on ordinary activities	<u>(696)</u>	<u>20,745</u>

b) Factors affecting the tax charge / (credit) for the current period.

The current tax charge / (credit) is lower than the standard rate of corporation tax in the UK of 30% (2003: 30%). The differences are reconciled below.

	2004	2003
	£'000	£'000
<i>Current tax reconciliation</i>		
(Loss) / Profit on ordinary activities before tax	<u>(5,744)</u>	<u>77,395</u>
Current tax at 30% (2003: 30%)	<u>(1,723)</u>	<u>23,218</u>
Effects of:		
Expenses not deductible for tax purposes	1,103	928
Depreciation for period in excess of / (less than) capital allowances	(280)	1,585
Utilisation of tax losses	-	(1,908)
Timing of deductions	(360)	(370)
Adjustments to tax charge in respect of previous periods	-	(1,325)
Total current tax charge / (credit)	<u>(1,260)</u>	<u>22,128</u>

c) Factors that may affect future tax charges.

The company has unused tax losses of approximately £nil (2003 £nil). There are no other factors affecting future tax charges.

Total Gas & Power Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2004

8. Taxation cont'd

d) Deferred Tax

The deferred tax charge / (credit) comprises:

	2004	2003
	£'000	£'000
Capital allowances	170	(1,369)
Short term timing differences	394	(14)
	<u>564</u>	<u>(1,383)</u>

9. Intangible fixed assets

		£'000
Cost	At 1 January 2004 and 31 December 2004	<u>12,672</u>
Amortisation	At 1 January 2004	(3,017)
	Charged in the year	(3,621)
	At 31 December 2004	<u>(6,638)</u>
Net book value	At 31 December 2004	<u>6,034</u>
	At 1 January 2004	<u>9,655</u>

In February 2003 the company acquired the entire trade and assets of Mobil Gas Limited. Immediately following the acquisition, the trade and assets were integrated into the business activities of Total Gas & Power Limited. The intangible assets represent the fair value of the customer portfolios acquired.

10. Tangible fixed assets

	Short leasehold property £'000	Office equipment £'000	Computer equipment £'000	Vehicles £'000	Total £'000
Cost					
At 1 January 2004	950	608	17,838	58	19,454
Additions	-	131	(78)	-	53
Disposals	-	-	(126)	(15)	(141)
At 31 December 2004	<u>950</u>	<u>739</u>	<u>17,634</u>	<u>43</u>	<u>19,366</u>
Depreciation					
At 1 January 2004	797	524	16,347	57	17,725
Charge for the year	153	41	986	1	1,181
Disposals	-	-	(116)	(15)	(131)
At 31 December 2004	<u>950</u>	<u>565</u>	<u>17,217</u>	<u>43</u>	<u>18,775</u>
Net book value					
At 31 December 2004	<u>-</u>	<u>174</u>	<u>417</u>	<u>-</u>	<u>591</u>
At 31 December 2003	<u>153</u>	<u>84</u>	<u>1,491</u>	<u>1</u>	<u>1,729</u>

Total Gas & Power Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2004

11. Stock

	2004	2003
	£'000	£'000
Gas held in storage	3,673	1,066

There is no material difference between the balance sheet value of stock and its replacement cost.

12. Debtors

	2004	2003
	£'000	£'000
Trade debtors	76,414	46,271
Owed by group companies	57,024	1,767
Corporation tax: current tax	2,440	1,558
Corporation tax: deferred tax	2,505	3,070
VAT (UK and other Europe)	14,939	14,030
Prepayments and accrued income	747,166	623,557
	<u>900,488</u>	<u>690,253</u>

Prepayments and accrued income primarily represents current month sales that are invoiced in the month following delivery.

13. Creditors: amounts falling due within one year

	2004	2003
	£'000	£'000
Bank overdrafts	265	24,484
Trade creditors	21,732	25,267
Owed to parent company	104	83,556
Owed to group companies	99,411	49,727
Corporation tax	-	17,458
VAT (UK and other Europe)	1,925	703
Accruals and deferred income	672,427	584,209
	<u>795,864</u>	<u>785,404</u>

Accruals and deferred income represents primarily the value of current month purchases that are invoiced in the month following delivery.

The company has not provided any guarantee or security in respect of the overdrafts.

Total Gas & Power Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2004

14. Equity share capital

	2004	2003
	£'000	£'000
<i>Authorised:</i>		
Ordinary shares of £1 each	145,800	40
Preference share 1 share of £1	-	-
	<u>145,800</u>	<u>40</u>
<i>Issued, called up and fully paid:</i>		
Ordinary shares of £1 each	145,800	40
Preference share 1 share of £1	-	-
	<u>145,800</u>	<u>40</u>

During the year the authorised share capital was increased by £ 145,760,000 by the creation of 145,760,000 ordinary shares of £1 each on 21 December 2004. These shares were issued at par, called up and fully paid in cash.

15. Reconciliation of movements in equity shareholder's funds

	2004	2003
	£'000	£'000
(Loss)/Profit for the financial year	(5,048)	56,649
New shares issued (note 14)	145,760	-
Opening shareholder's deficit	(11,983)	(68,632)
Closing shareholder's deficit	<u>128,729</u>	<u>(11,983)</u>

Total Gas & Power Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2004

16. Reserves

	<i>Profit and loss account £'000</i>
As at 31 December 2002 and 1 January 2003	(68,672)
Profit for the year ended 31 December 2003	56,649
As at 31 December 2003 and 1 January 2004	(12,023)
Loss for the year ended 31 December 2004	(5,048)
As at 31 December 2004	(17,071)

17. Financial commitments

- (a) The company engages in trading and marketing contracts in relation to gas and electricity in the normal course of business, which are contracted to be settled at varying future dates. The nominal value of trading contracts at 31 December 2004 is £3,099m (2003 £4,412m). The net fair value of forward commitments at 31 December 2004 is +£67 million (2003 +£57m).

- (b) Annual commitments under non-cancellable operating leases are as follows:

<i>Lease expiring:</i>	<i>Nature of cost:</i>	<i>2004 £'000</i>	<i>2003 £'000</i>
Within one year	Motor vehicle contract hire	21	45
	Office equipment	6	-
Between two to five years	Motor vehicle contract hire	157	96
	Short leasehold property	453	453
	Office equipment	-	26
After five years	Tolling contract	52,828	52,486
		<u>53,465</u>	<u>53,106</u>

Total Gas & Power Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2004

18. Pension commitments

a) Pension cost and provision

The Midstream section of the Total UK Pension Plan is a defined benefit plan, which requires contributions to be made to a separately administered fund. The Company's funding policy is to ensure that assets are always sufficient to cover accrued service liabilities with projection of future pay increases.

The total cost of pensions to the Midstream Business Unit in the year ended 31 December 2004 was £1,793,000 (2003 £1,817,000), of which £78,000 (2003 £18,000) relates to the defined contribution section.

The pension cost relating to the Plan is assessed in accordance with the advice of independent qualified actuaries using, in general, the projected unit method. The latest actuarial assessment of the Total UK Pension Plan was at 1 October 2002. The assets were taken at their market value and liabilities were valued by reference to market yields. The result was then smoothed by progressively stripping out the over or under performance of the Plan assets relative to the portfolio of assets that best match the Plan's liabilities over the three years to the valuation date. Past service surpluses and deficits are amortised as an amount over the average future working lifetimes of the members. As the defined benefit section is now closed to new entrants, it is expected that the service cost (as a percentage of pensionable payroll) will increase as the average age increases.

The assumptions used by the actuaries for the most recent valuation (carried out as at 1 October 2002) are set out below:

	% per annum
Rate of general increase in earnings	3.7
Rate of increase to pensions in payment	2.2
Discount rate applied to scheme liabilities before retirement	5.9
Discount rate applied to scheme liabilities after retirement	4.4
Additional expected return on assets supporting active liabilities	1.0

Pension Cost of the defined benefits section for 2004:

	£ '000
Regular Cost for 2004	1,154
Variation	582
Interest cost	(21)
Total Pension Cost for 2004	<u>1,715</u>

The Regular Cost relates to 17.7% of pensionable salaries. The variation relates to an annual amount of £566,000 as at 1 January 2003 that increases with the increase in the Retail Prices Index.

Prepayment / (Provision) at 31 December 2004

	£ '000
Prepayment / (Provision) at 31 December 2003	(467)
Total Pension Cost for 2004	(1,715)
Company Contributions for 2004	2,787
Prepayment / (Provision) at 31 December 2004	<u>605</u>

Total Gas & Power Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2004

18. Pension commitments (continued)

b) Financial Reporting Standard 17 – Retirement Benefits

FRS17 – Retirement Benefits will change fundamentally the calculation and reporting of the cost of retirement benefits. The disclosures below relate to liabilities related to the Midstream Business Unit in the Total UK Pension Plan. Total Gas & Power Limited is the major employer for the Midstream Business Unit and accounts for the whole Business Unit on a defined benefits basis.

The Company is contributing 17.7% of Pensionable Pay plus £636,000 per annum into the Midstream Business Unit. In addition a one-off contribution of £1 million was made in December 2004.

The latest full actuarial calculations of the liabilities of the Midstream Business Unit took place as at 30 June 2004. The principle assumptions used by the independent qualified actuaries in updating the latest actuarial calculations for FRS17 purposes are disclosed below:

Main financial assumptions:

	2004	2003
	%	%
Rate of increase in salaries	4.00	4.00
Rate of increase in pensions in payment	2.50	2.50
Discount rate	5.25	5.25
Inflation assumption	2.50	2.50

The fair value of the assets in the scheme, the present value of the liabilities in the scheme and the expected rate of return at each balance sheet date were:

	2004	2004	2003	2003
	%	£000	%	£000
Equities	8.25	5,742	8.25	3,564
Bonds	5.00	3,012	5.00	1,715
Property	7.25	282	7.25	165
Other (including Cash)	4.75	376	3.50	72
Total fair value of assets		9,412		5,516
Present value of scheme liabilities		(15,800)		(14,687)
Deficit in the scheme		(6,388)		(9,171)
Related deferred tax asset		1,916		2,751
Net pension liability		(4,472)		(6,420)

Total Gas & Power Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2004

18. Pension commitments (continued)

Analysis of the amount that would have been charged to operating profit under FRS 17:

	2004	2003
	£000	£000
Current service cost	1,384	937
Past service cost	-	-
Total operating charge	<u>1,384</u>	<u>937</u>

Analysis of the amount that would have been credited to net finance income under FRS 17:

	2004	2003
	£000	£000
Expected return on pension scheme assets	452	363
Interest on pension scheme liabilities	(762)	(636)
Net return	<u>(310)</u>	<u>(273)</u>

Analysis of the actuarial loss that would have been recognised in the statement of total recognised gains and losses:

	2004	2003
	£000	£000
Actual return less expected return on pension scheme assets	765	(481)
Experience losses arising on pension scheme liabilities	1,009	(1,140)
Changes in assumptions underlying the present value of the scheme liabilities	(84)	(427)
Actuarial gain / (loss) recognised in STRGL	<u>1,690</u>	<u>(2,048)</u>

Movement in deficit during the year:

	2004	2003
	£000	£000
Deficit in scheme at beginning of the year	(9,171)	(7,245)
Current service cost	(1,384)	(937)
Past service cost	-	-
Employer contributions	2,787	1,332
Other finance income	(310)	(273)
Actuarial loss	1,690	(2,048)
Deficit in scheme at end of year	<u>(6,388)</u>	<u>(9,171)</u>

Total Gas & Power Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2004

18. Pension commitments (continued)

History of experience gains and losses:

	2004	2003
	£000	£000
Difference between the expected and actual return on Business Unit assets:		
Amount (£)	765	(481)
Percentage of Business Unit assets	+8.1%	-8.7%
Experience gains / (losses) on Business Unit liabilities:		
Amount (£)	1,009	(1,140)
Percentage of the present value of Business Unit liabilities	+6.4%	-7.8%
Total actuarial gain / (loss) recognised in the statement of total recognised gains and losses:		
Amount (£)	1,690	(2,048)
Percentage of the present value of Business Unit liabilities	+10.7%	-13.9%

The analysis of reserves that would have arisen if FRS 17 had been fully implemented is as follows:

	2004	2003
	£000	£000
Profit and loss reserve excluding pension liability	(17,071)	(12,023)
Amount relating to defined benefit pension scheme liability, net of deferred tax	(4,472)	(6,420)
Profit and loss reserve	<u>(21,543)</u>	<u>(18,443)</u>

19. Related parties

During the year the company paid in the ordinary course of its business, amounts totalling £54m for tolling fees to Humber Power Limited, an associated undertaking of Chanter Petroleum Limited, a fellow subsidiary (2003 – £48m). There were no outstanding amounts payable at the balance sheet date.

The company has taken advantage of the exemption in paragraph 3(c) of FRS8 from disclosing transactions with related parties that are part of the Total SA group.

20. Ultimate parent company

The company's ultimate parent undertaking is Total SA, a company registered in France. This is the largest group for which group financial statements are prepared. Copies of the financial statements of Total SA can be obtained from 2, Place de la Coupole, La Defense 6, 92400 Courbevoie, France.

The smallest group for which group financial statements are prepared is that of Total Holdings UK Limited, a company registered in England, registered number 1722136. Copies of the financial statements of Total Holdings UK Limited can be obtained from 33 Cavendish Square, London W1G 0PW.