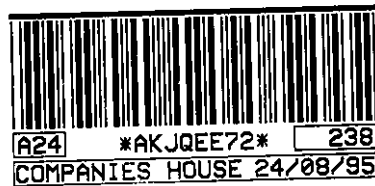


Company Number 2332390

ACCOUNTS

For the year ended

31 MARCH 1995



REGIONAL POWER GENERATORS Ltd

REGIONAL POWER GENERATORS LIMITED

REPORT OF THE DIRECTORS

The Directors submit their report and the audited accounts for the year ended 31 March 1995.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the operation of a power station at Brigg, South Humberside.

REVIEW OF THE BUSINESS

The station operated successfully in the period. The future prospects of the Company are satisfactory.

RESULTS AND DIVIDENDS

The results of the Company for the period are set out in detail on page 8. The Directors do not recommend the payment of a dividend.

FIXED ASSETS

Changes in fixed assets during the year are set out in note 9 on page 13.

DIRECTORS

The Directors who served during the year were :

J M Chatwin	(Chairman)(resigned 1 September 1994)
P B Morgan	(Chairman)(appointed 2 September 1994)
B Cooper	(resigned 1 September 1994)
E T McGregor	
A Palmgren	
W J Wilkinson	(appointed 2 September 1994)

REGIONAL POWER GENERATORS LIMITED

REPORT OF DIRECTORS (continued)

The Alternate Directors who served during the year were :

V Anttila	(resigned 30 November 1994)
J A Deane	(appointed 30 November 1994)
S Binks	(resigned 1 September 1994)
G J Hall	(resigned 1 September 1994)
A S Reed	

DIRECTORS' INTERESTS

No Director had any interest in the shares of the Company at the beginning or the end of this year.

The interests of P B Morgan as main board director of Yorkshire Electricity Group plc., the ultimate parent company, are disclosed in the financial statements of that company.

The interests of W J Wilkinson and A S Reed, as Directors of the immediate parent company, are disclosed in the financial statements of Yorkshire Electric Power Limited.

The interests of the Directors of the Company, other than the Directors of the ultimate parent company, in shares of the ultimate parent company or its subsidiaries were :

	<u>31 March 1995</u>	<u>31 March 1994 (*)</u>
J A Deane	0	0
E T McGregor	7,422	555
A Palmgren	0	0

(*) or date of appointment

REGIONAL POWER GENERATORS LIMITED

REPORT OF DIRECTORS (continued)

The share options granted to the Directors of the Company, other than Directors of the ultimate parent company, for shares in the ultimate parent company or its subsidiaries were :

Yorkshire Electricity Group plc
Number of ordinary shares of 56.5p each
(31 March 1994 50p) held at:-

	<u>31 March 1995</u>		<u>31 March 1994 (*)</u>	
	Executive Option Scheme	Sharesave Scheme	Executive Option Scheme	Sharesave Scheme
J A Deane	0	0	0	0
E T McGregor	15,752	0	29,999	0
A Palmgren	0	0	0	0

(*) or date of appointment

Sharesave Scheme

Price per share £1.75
Period of option At the end of 5 years

Executive Option Scheme

Price per share £2.87 to £4.78
Period of option 3 to 10 years

REGIONAL POWER GENERATORS LIMITED

REPORT OF DIRECTORS (continued)

CHARITABLE GIFTS

During the year the Company made charitable gifts total value £3,110.

DIRECTORS AND OFFICERS LIABILITY INSURANCE

During the year the Directors and Officers liability insurance was in force.

AUDITORS

A resolution to re-appoint Touche Ross & Co as auditors, will be proposed at the annual General Meeting.

By order of the Board


A N Burton

Secretary

REGIONAL POWER GENERATORS LIMITED

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The following statement which should be read in conjunction with the auditor's statement of auditors' responsibilities, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the auditors in relation to the financial statements.

The Directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year end and of the profit or loss for the financial year.

The Directors consider that in preparing the financial statements on a going concern basis on pages 8 to 18, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

REGIONAL POWER GENERATORS LIMITED

AUDITORS' REPORT TO MEMBERS

We have audited the financial statements on pages 8 to 18 which have been prepared under the accounting policies set out on page 11.

Respective responsibilities of directors and auditors

As described on page 6 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 the company's affairs as at 31 March 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Touche Ross & Co
Chartered Accountants and Registered Auditors

3 August 1995

Abbey House
74 Mosely Street
Manchester
M60 2AT

REGIONAL POWER GENERATORS LIMITED

PROFIT & LOSS ACCOUNT for the Year ended 31 March 1995 (£'000s)

	<u>Note</u>	<u>1995</u>	<u>1994</u>
Turnover	2	56,909	16,829
Cost of Sales		(28,537)	(8,530)
Gross Profit		28,372	8,299
Administration Expenses		(14,903)	(1,476)
Other Operating Income	3	162	5,750
Operating Profit		13,631	12,573
Interest Receivable	4	1,171	67
Interest Payable	5	(9,657)	(3,002)
Profit on Ordinary Activities Before Taxation		5,145	9,638
Taxation	8	(1,965)	(3,613)
Profit on Ordinary Activities After Taxation	17	3,180	6,025
Retained Profit for Year		3,180	6,025

The notes on pages 11 to 18 form an integral part of these accounts.

All results relate to continuing operations. The results above represent all of the gains and losses recognised by the company during the year. Consequently a statement of recognised gains and losses is not required. In addition, there is no difference between the results presented above and the result on an unmodified historical cost basis, therefore a note of historical cost profits and losses is not required.

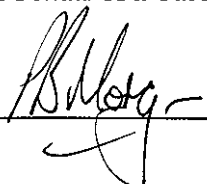
REGIONAL POWER GENERATORS LIMITED

BALANCE SHEET as at 31 March 1995 (£'000s)

	<u>Note</u>	<u>1995</u>	<u>1994</u>
FIXED ASSETS			
Tangible Assets	9	<u>114,766</u>	<u>120,295</u>
CURRENT ASSETS			
Stock	10	1,904	1,942
Debtors	11	8,081	17,307
Investments	12	16,796	4,500
Cash at Bank and in hand		<u>5,549</u>	<u>7,908</u>
		32,330	31,657
CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR	13	(29,102)	(16,946)
NET CURRENT ASSETS		<u>3,228</u>	<u>14,711</u>
TOTAL ASSETS		117,994	135,006
CREDITORS : FALLING DUE AFTER MORE THAN ONE YEAR	14	(92,183)	(115,394)
Provisions for Liabilities and Charges	15	(18,618)	(15,599)
NET ASSETS		<u><u>7,193</u></u>	<u><u>4,013</u></u>
CAPITAL & RESERVES			
Called up Share Capital	16	10	10
Profit & Loss Account	17	7,183	4,003
EQUITY SHAREHOLDERS' FUNDS		<u><u>7,193</u></u>	<u><u>4,013</u></u>

These financial statements were approved by the Board of directors on **22 June 1995**

Signed on behalf of Board of Directors



Director

23-6-95

Date

The notes on pages 11 to 18 form an integral part of these accounts.

REGIONAL POWER GENERATORS LIMITED

CASHFLOW STATEMENT for the Year ended 31 March 1995 (£'000s)

	<u>Note</u>	<u>1995</u>	<u>1994</u>
Net Cashflow from Operating Activities	19a	23,338	14,272
Returns on Investment & Servicing of Finance			
Interest Received		959	161
Interest Paid		<u>(8,690)</u>	<u>(9,354)</u>
Net Cashflow from Returns on Investment & Servicing of Finance		<u>(7,731)</u>	<u>(9,193)</u>
Taxation			
Payment for Tax Losses/(Corporation Tax Paid)		11,986	(58)
Investing Activities			
Payments to Acquire Tangible Fixed Assets		<u>(963)</u>	<u>(35,751)</u>
Net Cash Outflow from Investing Activities		<u>(963)</u>	<u>(35,751)</u>
Net Cashflow Before Financing		<u>26,630</u>	<u>(30,730)</u>
Financing			
Loan Repayment		(17,137)	(65,868)
Long Term Loans		<u>444</u>	<u>79,854</u>
Net Cashflow from Financing		<u>(16,693)</u>	<u>13,986</u>
Increase/ (Decrease) in Cash & Cash Equivalents	19b & 19c	<u><u>9,937</u></u>	<u><u>(16,744)</u></u>

The notes on pages 11 to 18 form an integral part of these accounts.

REGIONAL POWER GENERATORS LIMITED

NOTES TO THE ACCOUNTS - HALF YEAR ENDED 31 March 1995

1. ACCOUNTING POLICIES

These financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies which the Directors have adopted are set out below.

(a) ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention.

(b) TANGIBLE FIXED ASSETS AND DEPRECIATION

No depreciation is provided on freehold land. Additions during the year are depreciated in the month following acquisition. The following assets lives have been applied:-

Generating Plant	20 years
Computer hardware and software	5 years
Capital spares	6 years

(c) STOCK

Stocks are stated at the lower of cost and net realisable value.

(d) DEFERRED TAXATION

Deferred taxation arises in respect of items where there is a timing difference between their treatment for accounting purposes and their treatment for taxation purposes. Provision for deferred taxation, using the liability method is made to the extent that it is probable that a liability or asset will crystallise in the foreseeable future.

2. TURNOVER

Turnover represents sales of electricity, net of difference payments.

3. OTHER OPERATING INCOME

	1995 £'000s	1994 £'000s
Receipt of participation premium	0	5,750
Ancillary services income	162	0
TOTAL	162	5,750

REGIONAL POWER GENERATORS LIMITED

NOTES TO THE ACCOUNTS - YEAR ENDED 31 March 1995

4. INTEREST RECEIVABLE

	1995 £'000s	1994 £'000s
Interest Receivable	1,171	67

5. INTEREST PAYABLE AND SIMILAR CHARGES

	1995 £'000s	1994 £'000s
Bank Loans Repayable within 5 Years	9,657	8,932
Capitalised Interest	0	(5,930)
	<u>9,657</u>	<u>3,002</u>

6. DIRECTORS AND EMPLOYEES

The directors received no emoluments during 1995 or 1994. There are no employees other than directors (1994 same).

7. PROFIT ON ORDINARY ACTIVITIES

Profit on ordinary activities is arrived at after charging :

	1995 £'000s	1994 £'000s
Depreciation	6,191	0
Auditors' remuneration	10	10
Auditors fees for non-audit work was £nil (1994 £nil).		

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1995 £'000s	1994 £'000s
Group relief receivable from parent company	(1,054)	(11,986)
Increase in provision for deferred tax	3,019	15,599
TOTAL	<u>1,965</u>	<u>3,613</u>

REGIONAL POWER GENERATORS LIMITED

NOTES TO THE ACCOUNTS - YEAR ENDED 31 March 1995

9. TANGIBLE ASSETS

	Freehold Land	Capital Spares	Information Technology	Generating Station	Total
	£'000s	£'000s	£'000s	£'000s	£'000s
<u>Gross Capital Cost</u>					
As at 1 April 1994	364	0	0	119,931	120,295
Reclassification	0	147	775	(922)	0
Additions	0	342	69	251	662
As at 31 March 1995	364	489	844	119,260	120,957
<u>Depreciation (note 1(b))</u>	0	(67)	(165)	(5,959)	6,191
Net Book Value					
As at 31 March 1995	364	422	679	113,301	114,766
As at 31 March 1994	364	0	0	119,931	120,295

Capitalised interest of £10,921k (1994 £10,921k) is included in the figure for the generating station

10. STOCKS

	1995 £'000s	1994 £'000s
Raw materials and consumables	1,904	1,942

11. DEBTORS

	1995 £'000s	1994 £'000s
Trade Debtors	1,336	1,949
Group Debtors	4,536	15,011
Accrued Income	236	24
Prepayments/Other Debtors	1,973	323
TOTAL	8,081	17,307

REGIONAL POWER GENERATORS LIMITED

NOTES TO THE ACCOUNTS - YEAR ENDED 31 March 1995

12. INVESTMENTS

	1995 £'000s	1994 £'000s
Money Market Deposits	16,796	4,500

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1995 £'000s	1994 £'000s
Trade Creditors	41	13
Amounts owed to group undertakings	3,483	1,008
Amounts due to related parties	622	250
Taxation	38	38
VAT	1,538	47
Accruals	12,094	12,635
Deferred Income	1,813	0
Loan	9,473	2,955
TOTAL	29,102	16,946

14. CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1995 £'000s	1994 £'000s
Long Term Loan	92,183	109,208
15% Subordinated Convertible Secured Loan Stock 2014	0	6,186
TOTAL	92,183	115,394

Loans outstanding are repayable as follows :-

	Loan Stock		Secured Loans	
	1995	1994	1995	1994
	£'000s	£'000s	£'000s	£'000s
Within one year, or on demand	6,231	0	3,242	2,955
Between one and two years	0	6,186	4,913	3,226
Between two and five years	0	0	15,269	14,489
After five years	0	0	72,001	91,493
TOTAL	6,231	6,186	95,425	112,163

REGIONAL POWER GENERATORS LIMITED

NOTES TO THE ACCOUNTS - YEAR ENDED 31 March 1995

	1995 £'000s	1994 £'000s
Secured Loans		
Floating rate - LIBOR plus 0.85% - 0.95%	43,300	52,163
Fixed rate - 8.05%	52,125	60,000
TOTAL	<u>95,425</u>	<u>112,163</u>

The loans are secured on a fixed and floating charge on the assets of the company and are repayable in instalments up to 2009.

The subordinated convertible loan stock may be redeemed or converted at par between September 1995 and 2014, provided that all shareholders are in agreement. The subordinated convertible loan stock is secured by a second floating charge on the assets of the company.

15. DEFERRED TAXATION

Full provision has been made for deferred taxation as follows :-

	1995 £'000s	1994 £'000s
Short Term Timing Differences	(249)	0
Accelerated Capital Allowances	18,867	15,599
Total	<u>18,618</u>	<u>15,599</u>

REGIONAL POWER GENERATORS LIMITED

NOTES TO THE ACCOUNTS - YEAR ENDED 31 March 1995

16. SHARE CAPITAL

	1995 £'000s	1994 £'000s
Authorised :		
15,000,000 Ordinary shares at £1 each	<u>15,000</u>	<u>15,000</u>
Allotted and fully paid up :		
10,000 Ordinary shares at £1 each	<u>10</u>	<u>10</u>

17. PROFIT & LOSS ACCOUNT

	£'000s
As at 1 April 1994	4,003
Retained profit for Year	<u>3,180</u>
As at 31 March 1995	<u>7,183</u>

18. ULTIMATE PARENT COMPANY

In the opinion of the Directors the ultimate parent company is Yorkshire Electricity Group plc, being a company registered in England and Wales. Copies of the group financial statements are available from Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.

REGIONAL POWER GENERATORS LIMITED

NOTES TO THE ACCOUNTS - YEAR ENDED 31 March 1995

19. CASH FLOW STATEMENT

(a) Reconciliation of Operating Profit to Net Cashflow from Operating Activities :

	1995 £'000s	1994 £'000s
Operating Profit	13,631	12,573
Depreciation Charge	6,191	0
(Increase)/ Decrease in Stock	38	(1,942)
(Increase)/ Decrease in Debtors	(1,493)	(902)
Increase/ (Decrease) in Creditors	4,971	4,543
Net Cashflow from Operating Activities	23,338	14,272

(b) Analysis of changes in cash and cash equivalents during the year :

	1995 £'000s	1994 £'000s
Balance @ 1 April 1994	12,408	152
Net Cash Inflow	9,937	12,256
Balance @ 31 March 1995	22,345	12,408

(c) Analysis of the balance of cash and cash equivalents as shown in the Balance Sheet :

	1995 £'000s	1994 £'000s	Change in Year £'000s	Change in Prior Year £'000s
Cash at Bank & in Hand	5,549	7,908	(2,359)	7,756
Money market Investments	16,796	4,500	12,296	(24,500)
	22,345	12,408	9,937	(16,744)

REGIONAL POWER GENERATORS LIMITED

NOTES TO THE ACCOUNTS - YEAR ENDED 31 March 1995

(d) Analysis of changes in Financing during the year :

	Share Capital £'000s	Loans & Finance Leases £'000s
Balance at 1 April 1994	10	118,349
Cash inflow from Financing	0	444
Loan Repayment	0	(17,207)
Balance at 31 March 1995	10	101,586

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	1995 £'000s	1994 £'000s
Profit for year	3,180	6,025
Opening shareholders funds	4,013	(2,012)
Closing shareholders funds	7,193	4,013