

Company Number 2352390

ACCOUNTS

For the year ended

31 MARCH 1996



REGIONAL POWER GENERATORS LIMITED

REGIONAL POWER GENERATORS LIMITED

ANNUAL REPORT AND ACCOUNTS for the Year ended 31 March 1996

REPORT OF THE DIRECTORS

The Directors submit their report and accounts for the year ended 31 March 1996.

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 7. The Directors authorised payment of a dividend of £720 per share in February 1996 and recommend payment of a further of dividend £475 per share.

DIRECTORS

The Directors who served during the year were :

P B Morgan (Chairman)

A Palmgren

W J Wilkinson

E T McGregor (resigned 21 July 1995)

D R Scolah (appointed 22 August 1995)

The Alternate Directors who served during the year were :

J A Deane

A S Reed

REGIONAL POWER GENERATORS LIMITED

ANNUAL REPORT AND ACCOUNTS for the Year ended 31 March 1996

REPORT OF THE DIRECTORS (continued)

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 or parent company, in shares of the ultimate parent company were :

	<u>Yorkshire Electricity Group plc</u>	
	Number of ordinary shares of 68.2p each (31 March 1995 56.8p) held at:-	
	<u>31 March 1996</u>	<u>31 March 1995 (*)</u>
J A Deane	0	0
A Palmgren	0	0
D R Scorah	9,482	11,702
(*) or date of appointment		

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

	<u>Yorkshire Electricity Group plc</u>			
	Number of ordinary shares of 68.2p each (31 March 1995 56.8p) held at:-			
	<u>31 March 1996</u>		<u>31 March 1995 (*)</u>	
	Executive Option Scheme	Sharesave Scheme	Executive Option Scheme	Sharesave Scheme
J A Deane	0	0	0	0
A Palmgren	0	0	0	0
D R Scorah	10,138	629	10,138	5,100
(*) or date of appointment				

REGIONAL POWER GENERATORS LIMITED

ANNUAL REPORT AND ACCOUNTS for the Year ended 31 March 1996

REPORT OF THE DIRECTORS (continued)

Sharesave Scheme

Price per share	£1.75, matured March 1996
Price per share	£5.48
Period of option	At the end of 5 years

Executive Option Scheme

Price per share	£2.87 to £7.82
Period of option	3 to 10 years


CHARITABLE GIFTS

During the year the Company made charitable gifts with a total value £2,124.

AUDITORS

On 1 February 1996 our auditors changed the name under which they practice to Deloitte & Touche and accordingly have signed their audit report in their new name. A resolution for the re-appointment of Deloitte & Touche as auditors of the company will be proposed at the forthcoming Annual General Meeting.

By order of the Board


3/7/96

A N Burton

Secretary

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 7 to 17, 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.

AUDITORS' REPORT TO MEMBERS

We have audited the financial statements on pages 7 to 17 which have been prepared under the accounting policies set out on page 10.

Respective responsibilities of directors and auditors

As described on page 5 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 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Chartered Accountants and Registered Auditors

3 JULY 1996

East Parade
Leeds

REGIONAL POWER GENERATORS LIMITED

ANNUAL REPORT AND ACCOUNTS for the Year ended 31 March 1996

PROFIT & LOSS ACCOUNT for the Year ended 31 March 1996 (£'000s)

	<u>Note</u>	<u>1996</u>	<u>1995</u>
Turnover	2	58,721	56,909
Cost of Sales		(28,032)	(28,537)
Gross Profit		30,689	28,372
Administrative Expenses		(16,229)	(14,903)
Other Operating Income	3	121	162
Operating Profit		14,581	13,631
Interest Receivable	4	2,371	1,171
Interest Payable	5	(9,359)	(9,657)
Profit on Ordinary Activities Before Taxation	7	7,593	5,145
Taxation	8	(2,613)	(1,965)
Profit on Ordinary Activities After Taxation		4,980	3,180
Equity Dividends	3	(11,950)	(0)
(Loss)/Retained Profit for Year	18	(6,970)	3,180

The notes on pages 10 to 17 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 and the preceding 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


ANNUAL REPORT AND ACCOUNTS for the Year ended 31 March 1996

BALANCE SHEET as at 31 March 1996 (£'000s)

	<u>Note</u>	<u>1996</u>	<u>1995</u>
FIXED ASSETS			
Tangible Assets	10	<u>108,571</u>	<u>114,766</u>
CURRENT ASSETS			
Stocks	11	1,650	1,904
Debtors	12	8,440	8,081
Investments	13	24,971	16,796
Cash at Bank and in hand		<u>145</u>	<u>5,549</u>
		35,206	32,330
CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR	14	(34,682)	(29,102)
NET CURRENT ASSETS		<u>524</u>	<u>3,228</u>
TOTAL ASSETS		109,095	117,994
CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	15	(87,270)	(92,183)
Provisions for Liabilities and Charges	16	(21,602)	(18,618)
NET ASSETS		<u><u>223</u></u>	<u><u>7,193</u></u>
CAPITAL & RESERVES			
Called up Share Capital	17	10	10
Profit & Loss Account	18	213	7,183
EQUITY SHAREHOLDERS' FUNDS		<u>223</u>	<u>7,193</u>

These financial statements were approved by the Board of Directors on

Signed on behalf of Board of Directors



Director

3-7-96

Date

The notes on pages 10 to 17 form an integral part of these accounts.

REGIONAL POWER GENERATORS LIMITED

ANNUAL REPORT AND ACCOUNTS for the Year ended 31 March 1996

CASHFLOW STATEMENT for the Year ended 31 March 1996 (£'000s)

	<u>Note</u>	<u>1996</u>	<u>1995</u>
Net Cashflow from Operating Activities	20a	20,565	23,338
Returns on Investment & Servicing of Finance			
Interest Received		2,508	959
Interest Paid		(11,106)	(8,690)
Net Cashflow from Returns on Investment & Servicing of Finance		(8,598)	(7,731)
Taxation			
Payment for Tax Losses		1,089	11,986
Investing Activities			
Payments to Acquire Tangible Fixed Assets		(156)	(963)
Net Cash Outflow from Investing Activities		(156)	(963)
Net Cashflow Before Financing		<u>12,900</u>	<u>26,630</u>
Financing			
Loan Repayment		(10,129)	(17,137)
Long Term Loans		0	444
Net Cashflow from Financing	20d	(10,129)	(16,693)
Increase in Cash & Cash Equivalents	20b & 20c	<u>2,771</u>	<u>9,937</u>

The notes on pages 10 to 17 form an integral part of these accounts.

NOTES TO THE ACCOUNTS for the Year ended 31 March 1996**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.

(e) MAINTENANCE COSTS

Maintenance costs are charged to the profit & loss account based on the projected average annual charge, assuming a six year planned maintenance cycle.

2. TURNOVER

Turnover represents sales of electricity, net of difference payments.

REGIONAL POWER GENERATORS LIMITED

ANNUAL REPORT AND ACCOUNTS for the Year ended 31 March 1996

NOTES TO THE ACCOUNTS continued

3. OTHER OPERATING INCOME

	1996 £'000s	1995 £'000s
Ancillary services income	121	162
	<u>121</u>	<u>162</u>

4. INTEREST RECEIVABLE

	1996 £'000s	1995 £'000s
Interest Receivable	2,371	1,171
	<u>2,371</u>	<u>1,171</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	1996 £'000s	1995 £'000s
Loan interest	9,359	9,657
	<u>9,359</u>	<u>9,657</u>

6. DIRECTORS AND EMPLOYEES

The directors received no emoluments during 1996 or 1995. There are no employees other than directors (1995 same).

7. PROFIT ON ORDINARY ACTIVITIES

Profit on ordinary activities is arrived at after charging :

	1996 £'000s	1995 £'000s
Depreciation	6,232	6,191
Auditors' remuneration	10	10
Auditors fees for non-audit work	-	-

REGIONAL POWER GENERATORS LIMITED

ANNUAL REPORT AND ACCOUNTS for the Year ended 31 March 1996

NOTES TO THE ACCOUNTS continued

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1996 £'000s	1995 £'000s
Group relief receivable from parent company	(299)	(1,054)
Increase in provision for deferred tax	2,879	3,019
	<u>2,580</u>	<u>1,965</u>
Adjustment in respect of prior years		
Corporation tax	(72)	0
Deferred tax	105	0
	<u>2,613</u>	<u>1,965</u>

9. DIVIDENDS

	£'000s	£'000s
Equity dividend paid 1996, £720 per share (1995 nil)	7,200	0
Equity dividend proposed 1996, £475 per share (1995 nil)	4,750	0
	<u>11,950</u>	<u>0</u>

10. TANGIBLE ASSETS

	Freehold Land £'000s	Capital Spares £'000s	Information Technology £'000s	Generating Station £'000s	Total £'000s
<u>Gross Capital Cost</u>					
As at 1 April 1995	364	489	844	119,260	120,957
Additions	-	-	-	37	37
As at 31 March 1996	<u>364</u>	<u>489</u>	<u>844</u>	<u>119,297</u>	<u>120,994</u>
<u>Depreciation (note 1(b))</u>					
As at 1 April 1995	0	67	165	5,959	6,191
Charge for the year	-	82	169	5,981	6,232
As at 31 March 1996	<u>0</u>	<u>149</u>	<u>334</u>	<u>11,940</u>	<u>12,423</u>
<u>Net Book Value</u>					
As at 31 March 1996	<u>364</u>	<u>340</u>	<u>510</u>	<u>107,357</u>	<u>108,571</u>
As at 31 March 1995	<u>364</u>	<u>422</u>	<u>679</u>	<u>113,301</u>	<u>114,766</u>

Capitalised interest of £10,921k (1995 £10,921k) is included in the figure for the generating station

REGIONAL POWER GENERATORS LIMITED

ANNUAL REPORT AND ACCOUNTS for the Year ended 31 March 1996

NOTES TO THE ACCOUNTS continued

11. STOCKS

	1996	1995
	£'000s	£'000s
Raw materials and consumables	<u>1,650</u>	<u>1,904</u>

12. DEBTORS

	1996	1995
	£'000s	£'000s
Trade Debtors	2,896	1,336
Group Debtors	3,049	4,536
Accrued Income	100	236
Prepayments	1,648	1,973
ACT recoverable	<u>747</u>	<u>0</u>
	<u>8,440</u>	<u>8,081</u>

13. INVESTMENTS

	1996	1995
	£'000s	£'000s
Money Market Deposits	<u>24,971</u>	<u>16,796</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1996	1995
	£'000s	£'000s
Trade Creditors	66	41
Amounts owed to group undertakings	10,043	3,483
Loans owed to group undertakings	2,101	0
Amounts due to related parties	3,934	622
Taxation	0	38
VAT	1,894	1,538
Accruals	12,276	12,094
Deferred Income	1,465	1,813
ACT payable	<u>747</u>	<u>0</u>
Loans and loan stock	<u>2,156</u>	<u>9,473</u>
	<u>34,682</u>	<u>29,102</u>

REGIONAL POWER GENERATORS LIMITED

ANNUAL REPORT AND ACCOUNTS for the Year ended 31 March 1996

NOTES TO THE ACCOUNTS continued

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

	1996 £'000s	1995 £'000s
Long Term Loan	87,270	92,183

Loans outstanding are repayable as follows :-

	Loan Stock		Secured Loans	
	1996	1995	1996	1995
	£'000s	£'000s	£'000s	£'000s
Within one year, or on demand	0	6,231	4,257	3,242
Between one and two years	0	0	4,649	4,913
Between two and five years	0	0	16,674	15,269
After five years	0	0	65,947	72,001
	0	6,231	91,527	95,425

	1996 £'000s	1995 £'000s
Secured Loans		
Floating rate - LIBOR plus 0.85% - 0.95%	41,376	43,300
Fixed rate - 8.05%	50,151	52,125
	91,527	95,425

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 15% subordinated convertible loan stock was redeemed in September 1995 it was secured on a second floating charge on the assets of the company.

REGIONAL POWER GENERATORS LIMITED

ANNUAL REPORT AND ACCOUNTS for the Year ended 31 March 1996

NOTES TO THE ACCOUNTS continued

16. DEFERRED TAXATION

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

	1996 £'000s	1995 £'000s
Short Term Timing Differences	295	(249)
Accelerated Capital Allowances	21,307	18,867
	<u>21,602</u>	<u>18,618</u>

	£'000s
The movement in the deferred tax position was as follows:-	
As at 1 April 1995	18,618
Provision in respect of:	
Current year	2,879
Prior year	105
As at 31 March 1996	<u>21,602</u>

17. SHARE CAPITAL

	1996 £'000s	1995 £'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>

18. PROFIT & LOSS ACCOUNT

	£'000s
As at 1 April 1995	7,183
Retained loss for Year	(6,970)
As at 31 March 1996	<u>213</u>

REGIONAL POWER GENERATORS LIMITED

ANNUAL REPORT AND ACCOUNTS for the Year ended 31 March 1996

NOTES TO THE ACCOUNTS continued

19. 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 CF1 3UZ.

20. CASH FLOW STATEMENT

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

	1996 £'000s	1995 £'000s
Operating Profit	14,581	13,631
Depreciation Charge	6,232	6,191
Decrease in Stock	254	38
Increase in Debtors	(504)	(1,493)
Increase in Creditors	2	4,971
Net Cashflow from Operating Activities	20,565	23,338

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

	1996 £'000s	1995 £'000s
Balance at 1 April 1995	22,345	12,408
Net Cash Inflow	2,771	9,937
Balance at 31 March 1996	25,116	22,345

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

	1996 £'000s	1995 £'000s	Change in Year £'000s	Change in Prior Year £'000s
Cash at Bank & in Hand	145	5,549	(5,404)	(2,359)
Money market Investments	24,971	16,796	8,175	12,296
	25,116	22,345	2,771	9,937

REGIONAL POWER GENERATORS LIMITED

ANNUAL REPORT AND ACCOUNTS for the Year ended 31 March 1996

NOTES TO THE ACCOUNTS continued

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

	Share Capital £'000s	Loans & Finance Leases £'000s
Balance at 1 April 1995	10	101,656
Cash inflow from financing	0	(10,129)
Balance at 31 March 1996	10	91,527

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	£'000s	£'000s
(Loss)/Profit for year	(6,970)	3,180
Opening shareholders' funds	7,193	4,013
Closing shareholders' funds	223	7,193