

**Humber Power Limited**  
**Annual report**  
**for the period ended 31 December 2001**

**Registered Number 2571241**



# **Humber Power Limited**

## **Annual report for the period ended 31 December 2001**

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# Humber Power Limited

## Directors' report for the period ended 31 December 2001

The directors present their report and the audited financial statements of the company for the period ended 31 December 2001.

### Principal activities

The principal activity of the group is the development and operation of a gas fired power station at Stallingborough, North East Lincolnshire.

### Change of year end

The company's year end was changed from 25 May to 31 December during the period and, therefore, these accounts have been prepared covering a 7 month period.

### 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 period. Both phases of the project were maintained in accordance with the planned inspection programme following which the plant returned to operation as expected.

### Results and dividends

The consolidated profit and loss account for the period is set out on page 4. The directors do not recommend the payment of a dividend. The profit for the period of £ 22,882,000 (25 May 2001 £3,389,000) has been transferred to reserves.

### Charitable donations

During the period the group made charitable donations of £1,000 (25 May 2001 £4,000).

### Directors and their interests

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

Jake Ulrich	(American)
P Sauquet	(French)
Stephen Mancey – appointed 31 December 2001	(British)
Jean Pierre Matielle – appointed 14 September 2001	(French)
Jean Fournier - resigned 14 September 2001	(French)
John Shears – resigned 31 December 2001	(British)
Michael Garstang – appointed 22 March 2002	(British)
Didier Chanoine – appointed 22 March 2002	(French)

The alternate director who held office during the period is

Ian Wood – appointed 31 December 2001	(British)
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No director had any interests in any of the shares of group undertakings at 31 December 2001 or at any time during the period.

# Humber Power Limited

## Policy and practice on payment of creditors

Creditors are paid as they fall due. Trade creditors at the period end represented 2 days (25 May 2001 4 days) of purchases.

## Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period that 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. 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.

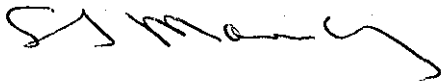
The directors confirm that suitable accounting policies have been used and applied consistently with the exception of the changes arising on the adoption of new accounting standards in the period as explained on page 8. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the period ended 31 December 2001 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 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.

## Auditors

The auditors, PricewaterhouseCoopers, 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



S Mancey  
Director

11 October 2002

# 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 and the related notes, which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

### 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.

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.

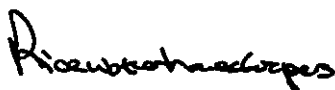
### Basis of audit opinion

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 of the group at 31 December 2001 and of the profit and cash flows of the group for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
Hull  
11 October 2002

# Humber Power Limited

## Consolidated profit and loss account for the period ended 31 December 2001

	Note	31 December 2001 (7 months) £'000	25 May 2001 (14 months) £'000
Turnover		78,312	205,804
Cost of sales		(19,428)	(119,260)
Gross profit		58,884	86,544
Distribution expenses		(5,341)	(9,405)
Administrative expenses		(8,079)	(14,147)
Other operating expenses	1	-	(13,844)
Operating profit	1	45,464	49,148
Net interest payable	4	(17,645)	(40,943)
Profit on ordinary activities before taxation		27,819	8,205
Taxation	5	(4,937)	(4,816)
Profit for the period	18	22,882	3,389

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

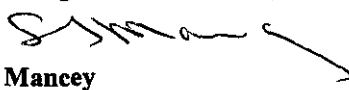
The group has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented.

# Humber Power Limited

## Balance sheets as at 31 December 2001

	Note	Group 31 December 2001 £'000	Group 25 May 2001 £'000	Company 31 December 2001 £'000	Company 25 May 2001 £'000
<b>Fixed assets</b>					
Tangible assets	7	479,095	496,604	478,142	495,594
Investments	8	-	-	-	-
		479,095	496,604	478,142	495,594
<b>Current assets</b>					
Stocks	9	18,759	13,673	18,759	13,673
Debtors					
- amounts falling due within one year	10	34,503	33,978	46,920	43,978
- amounts falling due after more than one year	11	-	-	89,720	100,343
Cash at bank and in hand		30,202	9,306	30,202	3,496
		83,464	56,957	185,601	161,490
Creditors -- amounts falling due within one year	12	(14,359)	(33,665)	(18,372)	(46,190)
<b>Net current assets</b>		69,105	23,292	167,229	115,300
<b>Total assets less current liabilities</b>		548,200	519,896	645,371	610,894
Creditors -- amounts falling due after more than one	13	(472,755)	(472,270)	(592,088)	(581,711)
Provisions for liabilities and charges	14	(22,749)	(17,812)	-	-
<b>Net assets</b>		52,696	29,814	53,283	29,183
<b>Capital and reserves</b>					
Called up share capital	16	20,000	20,000	20,000	20,000
Share Premium	17	8,436	8,436	8,436	8,436
Profit and loss account	18	24,260	1,378	24,847	747
<b>Equity shareholders' funds</b>	19	52,696	29,814	53,283	29,183

The financial statements on pages 4 to 21 were approved by the board of directors on 11 October 2002 and were signed on its behalf by:

  
**S Mancey**  
 Director

# Humber Power Limited

## Consolidated cash flow statement for the period ended 31 December 2001

	Note	31 December 2001 £'000	31 December 2001 £'000	25 May 2001 £'000	25 May 2001 £'000
Net cash inflow from operating activities	20		64,790		35,104
Returns on investment and servicing of finance					
Interest received		325		6,406	
Interest paid		(6,865)		(18,274)	
Interest element of finance lease rental payments		(11,105)		(29,075)	
Net cash outflow from returns on investments and servicing of finance			(17,645)		(40,943)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(32)		(7,467)	
Movements in loan to related parties		-		9,134	
Net cash (outflow)/inflow from capital expenditure and financial investment			(32)		1,667
Cash inflow / (outflow) before use of liquid resources and financing			47,113		(4,172)
Financing					
Repayment of bank loans		-		(82,189)	
Issue of ordinary share capital		-		27,804	
Issue of loan stock		-		52,314	
Redemption of loan stock		(27,314)		(13,899)	
Capital element of finance lease rental payments		1,097		4,275	
Net cash outflow from financing			(26,217)		(11,695)
Increase / (decrease) in net cash			20,896		(15,867)



# Humber Power Limited

## Reconciliation of net cash flow to movement in net debt

	Note	31 December 2001 £'000	31 December 2001 £'000	25 May 2001 £'000	25 May 2001 £'000
Increase / (Decrease) in cash in the period		20,896		(15,867)	
Cash outflow from decrease in debt and lease financing		26,217		39,499	
<b>Movement in net debt in the period</b>	<b>21</b>		<b>47,113</b>		<b>23,632</b>
Net debt at 26 May 2001			(492,601)		(516,233)
<b>Net debt at 31 December 2001</b>	<b>21</b>		<b>(445,488)</b>		<b>(492,601)</b>

# 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. The group has adopted FRS 18 'Accounting Policies' in the financial statements for the first time. The adoption of FRS 18 did not require any change in accounting policies.

### 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 2001. Intra group sales, profits and balances are eliminated on consolidation.

### Turnover

Turnover is recognised on an accruals basis in accordance with the tolling agreement.

### Fixed assets

Fixed assets are stated at the original cost to the Group.

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 period 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 which is depreciated over the expected useful life, typically the period to the next overhaul which is usually 6 years once the major spares are brought into use.

### Deferred tax

Deferred taxation is provided on the liability basis to take account of the difference between the incidence of income and expenditure for accounting and taxation purposes to the extent that it is likely that a liability will crystallise in the foreseeable future.

# **Humber Power Limited**

## **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 periods, 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 periods 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 has been 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 period 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 2001

### 1 Operating profit

	31 December 2001 (7 months) £'000	25 May 2001 (14 months) £'000
<b>Operating profit is stated after charging</b>		
Depreciation		
- owned assets	4,543	11,434
- assets held under finance leases	12,998	24,814
The total amount charged to the profit and loss account in respect of finance leases (of which £11,105,000 (25 May 2001 £29,075,000) is shown as interest and £12,998,000 (25 May 2001 £24,814,000) is shown as depreciation)	24,103	53,889
<b>Auditors' remuneration – audit fees and expenses:</b>		
- parent company	22	44
- subsidiary undertaking	-	-
- Group	22	44
Auditors' remuneration – non audit fees	114	510

### 2 Directors' emoluments

The directors received no emoluments from the company during the period (25 May 2001: £Nil).

### 3 Employee information

The company has no direct employees. However, payments amounting to £1,739,000 were made during the period in respect of an average of 70 staff (of which 8 were previously employed directly by the company) providing services to Humber Power Limited through the period under an employee services agreement with a subsidiary company of a Shareholder. (25 May 2001: 8) (Note 24).

# Humber Power Limited

Staff costs comprise:

	31 December 2001 (7 months) £'000	25 May 2001 (14 months) £'000
Wages and salaries	1,486	600
Social security costs	136	75
Other pension costs	117	62
	<b>1,739</b>	<b>737</b>

## 4 Interest and similar changes

	31 December 2001 (7 months) £'000	25 May 2001 (14 months) £'000
<b>Payable</b>		
Other	6,865	18,274
Finance lease costs	11,105	29,075
	<b>17,970</b>	<b>47,349</b>
<b>Receivable</b>		
Bank interest	(325)	(6,406)
	<b>(325)</b>	<b>(6,406)</b>
<b>Net interest payable</b>	<b>17,645</b>	<b>40,943</b>

## 5 Taxation

The charge based on the profits for the period comprises:

	31 December 2001 £'000	25 May 2001 £'000
Deferred taxation (note 14)	4,937	4,816
	<b>4,937</b>	<b>4,816</b>

The current period tax charge is lower than expected due to the movements in deferred tax assets not previously recognised.

# Humber Power Limited

## 6 Profit for the period

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 period was £25,701,000 (25 May 2001 £2,189,000).

## 7 Tangible assets

Group	Short leasehold property £'000	Freehold land £'000	Power station assets £'000	Gas turbine components £'000	Other plant, machinery and equipment £'000	Total £'000
<b>Cost</b>						
At 25 May 2001	6	2,204	533,765	47,554	1,032	584,561
Additions	-	-	-	-	32	32
<b>At 31 December 2001</b>	<b>6</b>	<b>2,204</b>	<b>533,765</b>	<b>47,554</b>	<b>1,064</b>	<b>584,593</b>
<b>Depreciation</b>						
At 25 May 2001	-	-	61,890	25,462	605	87,957
Charge for the period	-	-	10,753	6,699	89	17,541
<b>At 31 December 2001</b>	<b>-</b>	<b>-</b>	<b>72,643</b>	<b>32,161</b>	<b>694</b>	<b>105,498</b>
<b>Net book amount</b>						
<b>At 31 December 2001</b>	<b>6</b>	<b>2,204</b>	<b>461,122</b>	<b>15,393</b>	<b>370</b>	<b>479,095</b>
At 25 May 2001	6	2,204	471,875	22,092	427	496,604

The cost of assets held under finance leases at 31 December 2001 amounted to £454,346,000 (25 May 2001 £454,346,000) with accumulated depreciation of £87,695,000 (25 May 2001 £74,697,000).

# Humber Power Limited

Company	Power station assets £'000	Gas turbine components £'000	Motor vehicles, plant and machinery £'000	Total £'000
<b>Cost</b>				
At 25 May 2001	535,192	47,554	200	582,946
Additions	-	-	32	32
<b>At 31 December 2001</b>	<b>535,192</b>	<b>47,554</b>	<b>232</b>	<b>582,978</b>
<b>Depreciation</b>				
At 25 May 2001	61,890	25,462	-	87,352
Charge for the period	10,753	6,699	32	17,484
<b>At 31 December 2001</b>	<b>72,643</b>	<b>32,161</b>	<b>32</b>	<b>104,836</b>
<b>Net book amount</b>				
<b>At 31 December 2001</b>	<b>462,549</b>	<b>15,393</b>	<b>200</b>	<b>478,142</b>
At 25 May 2001	473,302	22,092	200	495,594

The costs of assets held under finance leases at 31 December 2001 amounted to £581,559,000 (25 May 2001 £581,559,000) with accumulated depreciation of £104,859,000 (25 May 2001 £89,305,000).

## 8 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 and construction of a power station. The cost of investment in the subsidiary undertaking at 25 May 2001 and 31 December 2001 amounted to £100.

## 9 Stocks

	Group and company	
	31 December 2001 £'000	25 May 2001 £'000
Strategic spares	13,669	8,599
Consumable spares	5,090	5,074
	<b>18,759</b>	<b>13,673</b>

# Humber Power Limited

## 10 Debtors – amounts falling due within one year

	Group	Group	Company	Company
	31 December	25 May	31 December	25 May
	2001	2001	2001	2001
	£'000	£'000	£'000	£'000
Trade debtors (note 24)	459	336	459	336
Dividend receivable from subsidiary	-	-	12,424	10,000
Other debtors (note 24)	3,053	31,316	3,053	31,316
Prepayments and accrued income	30,991	2,326	30,984	2,326
	34,503	33,978	46,920	43,978

## 11 Debtors – amounts falling due after more than one year

	Group	Group	Company	Company
	31 December	25 May	31 December	25 May
	2001	2001	2001	2001
	£'000	£'000	£'000	£'000
Amounts due from subsidiary undertaking	-	-	89,720	100,343
	-	-	89,720	100,343

## 12 Creditors – amounts falling due within one year

	Group	Group	Company	Company
	31 December	25 May	31 December	25 May
	2001	2001	2001	2001
	£'000	£'000	£'000	£'000
Loan stock (see note 13)	-	27,314	-	27,314
Trade creditors	3,962	1,416	3,885	1,339
Other taxes and social security	1,572	29	1,572	29
Accruals and deferred income (Note 24)	4,556	2,122	4,556	1,995
Other creditors (note 24)	1,334	461	1,334	461
Obligations under finance leases	2,935	2,323	7,025	15,052
	14,359	33,665	18,372	46,190



# Humber Power Limited

## 13 Creditors – amounts falling due after more than one year

	Group	Group	Company	Company
	31 December	25 May	31 December	25 May
	2001	2001	2001	2001
	£'000	£'000	£'000	£'000
Loan stock (note 24)	25,000	25,000	25,000	25,000
Obligations under finance leases	447,755	447,270	567,088	556,711
	472,755	472,270	592,088	581,711

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.

The repayment profile of the group's indebtedness is as follows:

	Group and company					
	31 December 2001			25 May 2001		
	E	C	Total	E	C	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Loan stock</b>						
<b>Amounts repayable:</b>						
In less than one year	-	-	-	-	27,314	27,314
In more than five years	25,000	-	25,000	25,000	-	25,000
	25,000	-	25,000	25,000	27,314	52,314

The loan stock E held by related parties (note 24), is unsecured, repayable in full on 31 May 2021 and bears interest at a rate of LIBOR plus 0.25%.

The loan stock C was held by a related party (note 24), was unsecured and did not bear interest. It was repaid in full on 1 September 2001.

# Humber Power Limited

	Group 31 December 2001 £'000	Group 25 May 2001 £'000	Company 31 December 2001 £'000	Company 25 May 2001 £'000
Finance leases				
Amounts repayable by instalments:				
Between one and two years	3,523	3,032	7,930	7,373
Between two and five years	17,821	16,043	28,698	26,715
Over five years	426,411	428,195	530,460	522,623
	447,755	447,270	567,088	556,711

The finance lease bears interest at a margin above LIBOR. The rate is effectively fixed using interest rate swaps at rates varying between 6.0% and 7.7%, which expire in 2014. The finance lease obligations of the company represent amounts owing to Humberland Limited, its subsidiary undertaking.

The total amounts repayable by instalments, any part of which falls due after more than five periods, are as follows:

	Group 31 December 2001 £'000	Group 25 May 2001 £'000	Company 31 December 2001 £'000	Company 25 May 2001 £'000
Loan Stock E	25,000	25,000	25,000	25,000
Finance leases	450,690	449,593	574,113	571,763

## 14 Provisions for liabilities and charges

	Deferred taxation £'000
At 25 May 2001	17,812
Charged to the profit and loss account	4,937
At 31 December 2001 (Note 15)	22,749

# Humber Power Limited

## 15 Deferred taxation

	31 December 2001	31 December 2001	25 May 2001	25 May 2001
	Provision made	Full potential (asset)/liability	Provision made	Full potential (asset)/liability
Group	£'000	£'000	£'000	£'000
Accelerated capital allowances	(5,224)	(5,224)	(6,274)	(6,274)
Other timing differences	35,109	35,109	36,072	36,072
	29,885	29,885	29,798	29,798
Losses available for future relief	(7,136)	(13,016)	(11,986)	(21,345)
	22,749	16,869	17,812	8,453

	31 December 2001	31 December 2001	25 May 2001	25 May 2001
	Provision made	Full potential (asset)/liability	Provision made	Full potential (asset)/liability
Company	£'000	£'000	£'000	£'000
Accelerated capital allowances	602	602	533	533
Other timing differences	1,003	1,003	1,032	1,032
	1,605	1,605	1,565	1,565
Losses available for future relief	(1,605)	(7,485)	(1,565)	(10,924)
	-	(5,880)	-	(9,359)

## 16 Called up share capital

	31 December 2001 £'000	25 May 2001 £'000
Authorised, allotted, called up and fully paid		
20,000,000 Ordinary shares of £1 each	20,000	20,000

# Humber Power Limited

## 17 Share Premium account

	Group £'000	Company £'000
At 25 May 2001 and At 31 December 2001	8,436	8,436

## 18 Profit and loss account

	Group £'000	Company £'000
At 25 May 2001	1,378	747
Profit for the period	22,882	24,100
At 31 December 2001	24,260	24,847

## 19 Reconciliation of movements in shareholders' funds

	Group 31 December 2001 £'000	Group 25 May 2001 £'000	Company 31 December 2001 £'000	Company 25 May 2001 £'000
Opening shareholders' funds	29,814	(1,379)	29,183	(792)
Profit for the financial period	22,882	3,389	24,100	2,171
Issue of new share capital	-	27,804	-	27,804
Closing shareholders' funds – surplus	52,696	29,814	53,283	29,183

# Humber Power Limited

## 20 Reconciliation of operating profit to net cash inflow from operating activities

	31 December 2001 £'000	25 May 2001 £'000
Operating profit	45,464	49,148
Depreciation	17,541	36,248
(Increase) / decrease in stocks	(5,086)	182
(Increase) in debtors	(525)	(6,292)
Increase/(decrease) in creditors	7,396	(44,182)
<b>Net cash inflow from operating activities</b>	<b>64,790</b>	<b>35,104</b>

## 21 Analysis of net debt

	At 25 May 2001 £'000	Cash flows £'000	At 31 December 2001 £'000
Cash at bank and in hand	9,306	20,896	30,202
Loan Stock C	(25,000)	-	(25,000)
Loan Stock E	(27,314)	27,314	-
Finance leases	(449,593)	(1,097)	(450,690)
	(492,601)	47,113	(445,488)

## 22 Capital commitments

The group has signed various contracts in connection with the construction and financing of the power station. At 31 December 2001 the group had capital commitments contracted for of £506,020 (25 May 2001 £3,299,000).

## 23 Pensions

The group pension contributions during the period amounted to £ Nil (25 May 2001 £62,000).

# Humber Power Limited

## 24 Related party transactions

The following transactions between the Group and group undertakings 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) Loan stock and loans to shareholders

Creditors at 31 December 2001 include £25,000,000 (25 May 2001 25,000,000) in respect of loan stock E and £Nil (25 May 2001 £27,314,443) in respect of short term loan stock held by the following group undertakings of its shareholders:

- Chanter Petroleum Limited
- GB Gas Holdings Limited

The short-term loan stock was repaid in full on 1 September 2001.

During the period ending 31 December 2001 loan stock interest payments were made in the sum of £476,781 to GB Gas Holdings Limited and £317,854 to Chanter Petroleum Limited in respect of Loan Stock E. At 31 December 2001 Accruals included £66,253 of loan stock interest in respect GB Gas Holdings and £44,168 in respect of Chanter Petroleum.

Further details regarding the terms of the loan stock in issue during the period are provided in note 13.

### (2) Tolling revenues

The company has received £ 22,835,961 (25 May 2001 £54,212,000) from a group undertaking of Chanter Petroleum Limited in respect of a gas tolling contract for part of the generation output of the power station.

Prepayments and Deferred income includes £11,949,936 (25 May 2001 £Nil) and Other Debtors includes £312,534 (25 May 2001 £Nil) receivable from a group undertaking of Chanter Petroleum Limited under the tolling contract.

Other Creditors includes £446,029 (25 May 2001 £Nil) payable to a group undertaking of Chanter Petroleum Limited under the tolling contract.

The company has received £35,044,802 (25 May 2001 £nil) from a group undertaking of GB Gas Holdings Limited in respect of a gas tolling contract for part of the generation output of the power station.

Trade Debtors includes £254,000, Prepayments and Deferred income includes £16,333,570 (25 May 2001 £Nil) and Other Debtors includes £359,581 (25 May 2001 £Nil) receivable from a group undertaking of GB Gas Holdings Limited.

Other Creditors includes £794,527 (25 May 2001 £Nil) payable to a group undertaking of GB Gas Holdings Limited under the tolling contract.

# Humber Power Limited

## (3) Secondment of Staff

The company has no direct employees. However, payments amounting to £1,739,000 were made during the period in respect of an average of 70 staff providing services to Humber Power Limited under a employee services agreement with a group undertaking of GB Gas Holdings Limited where disclosure of the relevant employee costs and details are shown.

## 25 Ultimate Parent Undertaking and Controlling Party

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