

Enron SB Limited
Accounts 31 December 1997
together with directors' and auditors' reports

Registered number: 3064440



Directors' report

For the year ended 31 December 1997

The directors present their annual report on the affairs of the group, together with the accounts and auditors' report, for the year ended 31 December 1997.

Principal activity and business review

The group's principal activity is the development and construction of a gas fired power station at Sutton Bridge, Lincolnshire. Payments under the Capacity and Tolling Agreement are due to commence on 1 March 1999. At 31 December 1997 the development and construction of the power station was estimated to be 58.9% complete.

The company changed its name from IPG Holdings Limited to Enron SB Limited on 10 April 1997.

Results and dividends

Results are as follows:

	£'000
Retained profit at beginning of year	252
Loss for the financial year	(6,644)
Accumulated deficit at end of year	<u>(6,392)</u>

The directors do not recommend the payment of a dividend (1996 - £nil).

The company has taken advantage of the exemption under the Companies Act 1985 section 230, not to prepare a company profit and loss account. The company recorded a retained profit for the year ended 31 December 1997 of £40,000.

Directors and their interests

The directors who served during the year are as shown below.

J.A. Chappell	
D.J. Lewis	
A. Nath	
J.V. Derrick Jr.	
M.A. Frevert	
J. McMahon	
K.D. Rice	(appointed 1 May 1997).
D.J. McCarty	(appointed 31 January 1997)
R. DiMichele	(appointed 28 May 1997)
SPV Management Limited	(appointed 29 September 1997)
G.D. Roberts	(resigned 31 January 1997)
J.K. Skilling	(resigned 26 March 1997)

The directors who held office at 31 December 1997 had no beneficial interests in the shares of the company or its subsidiaries during the year.

Directors' report (continued)

For the year ended 31 December 1997

Statement of directors' responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and group, and of the profit or loss of the group for that year. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the group 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 group and enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The directors will place a resolution before the annual general meeting to re-appoint Arthur Andersen as auditors for the ensuing year.

Four Millbank
Westminster
London
SW1P 3ET

By order of the Board,



29 May 1998

J. Chappell

Auditors' report

For the year ended 31 December 1997

To the Shareholders of Enron SB Limited:

We have audited the accounts on pages 4 to 19 which have been prepared under the historical cost convention and in accordance with the accounting policies set out on pages 8 to 9.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's and the group'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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company and of the group as at 31 December 1997 and of the group's loss and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Arthur Andersen

Arthur Andersen
Chartered Accountants and Registered Auditors
1 Surrey Street
London
WC2R 2PS

29 May 1998

Consolidated profit and loss account

For the year ended 31 December 1997

	Notes	1997 £'000	1996 £'000
Operating expenses	1	(6,535)	-
Operating loss		<u>(6,535)</u>	<u>-</u>
Investment income	2	18	232
Interest payable and similar charges	3	(127)	(223)
(Loss)/profit on ordinary activities before taxation	4	<u>(6,644)</u>	<u>9</u>
Taxation	5	-	(9)
(Loss)/profit on ordinary activities after taxation		<u>(6,644)</u>	<u>-</u>
Minority interest		-	(90)
Retained profit at the beginning of the year		<u>252</u>	<u>342</u>
Retained (loss)/profit at end of year		<u>(6,392)</u>	<u>252</u>

There were no other recognised gains or losses except for the loss or profit for each year.

The accompanying notes are an integral part of these accounts.

The above results were generated from continuing operations for each financial year.

Consolidated balance sheet

31 December 1997

	Notes	1997 £'000	1996 £'000
Fixed assets			
Intangible assets	6	2,959	2,959
Tangible assets	7	176,073	9,346
Investments	8	30	-
		<u>179,062</u>	<u>12,305</u>
Current assets			
Debtors	9	168,547	44
Cash at bank and in hand		8,541	6
		<u>177,088</u>	<u>50</u>
Creditors: amounts falling due within one year	10	(37,847)	(10,010)
Net current assets/(liabilities)		<u>139,241</u>	<u>(9,960)</u>
Total assets less current liabilities		<u>318,303</u>	<u>2,345</u>
Creditors: amounts falling due after more than one year	11	(279,095)	-
Net assets		<u>39,208</u>	<u>2,345</u>
Capital and reserves			
Called-up share capital	12	-	-
Share premium account	13	45,354	-
Capital redemption reserve	13	246	-
Profit and loss account	14	(6,392)	252
Total shareholders' funds	13	<u>39,208</u>	<u>252</u>
Equity minority interests	15	-	2,093
		<u>39,208</u>	<u>2,345</u>
Shareholders' funds			
Equity interests		39,208	252
Non-equity interests		-	-
		<u>39,208</u>	<u>252</u>

The accompanying notes are an integral part of these accounts.

Company balance sheet

31 December 1997

	Notes	1997 £'000	1996 £'000
Fixed assets			
Investments	8	45,449	5,856
Current assets			
Debtors	9	2,900	2,903
Cash at bank and in hand		1	2
		2,901	2,905
Creditors: amounts falling due within one year	10	(2,728)	(8,779)
Net current assets/(liabilities)		173	(5,874)
Net assets/ (liabilities)		45,622	(18)
Capital and reserves			
Called-up share capital	12	-	-
Share premium	13	45,354	-
Capital redemption reserve	13	246	-
Profit and loss account	14	22	(18)
		45,622	(18)
Shareholders' funds			
Equity interests		45,622	(18)
Non-equity interests		-	-
		45,622	(18)

The accompanying notes are an integral part of these accounts.

Signed on behalf of the Board on 29 May 1998.



J. Chappell

Consolidated cash flow statement

For the year ended 31 December 1997

	Notes	1997		1996	
		£'000	£'000	£'000	£'000
Net cash (outflow)/inflow from operating activities	16a)		(5,134)		479
Returns on investments and servicing of finance					
Other income		18		-	
Interest received		8,644		232	
Interest paid		(13,900)		(223)	
Issue costs of bonds		(7,976)		-	
Net cash (outflow)/inflow from return on investments and servicing of finance			(13,214)		9
Taxation					
Corporation tax paid		(7)		(8)	
			(7)		(8)
Capital expenditure					
Purchase of investments		(30)		-	
Deferred consideration		(6,808)		-	
Payments to acquire tangible fixed assets		(134,722)		(520)	
			(141,560)		(520)
Acquisitions and disposals					
Acquisition of minority investment		(238)		-	
			(238)		-
Net cash outflow before financing			(160,153)		(40)
Financing					
Issue of share capital		90,954		-	
Proceeds from issue of Bonds		286,930		-	
Loan to Enron Europe Limited		(163,842)		-	
Redemption of shares		(45,354)		-	
Net cash inflow from financing			168,688		-
Increase/(decrease) in cash	16b)		8,535		(40)

The accompanying notes are an integral part of these accounts.

Statement of accounting policies

For the year ended 31 December 1997

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year is set out below.

a) Basis of accounting

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

b) Basis of consolidation

The group accounts incorporate the accounts of Enron SB Limited, and all of its subsidiary undertakings drawn up to the end of the financial year.

c) Tangible fixed assets

Fixed assets, including deferred development costs, are shown at cost. Assets in the course of construction represent costs incurred in connection with the development and construction of the power station including attributable overheads and net interest payable.

No depreciation is provided on freehold land. Assets in the course of construction will be depreciated over the life of the power station when it becomes operational.

d) Investments

Fixed asset investments are shown at cost less provision for permanent diminution in value.

e) Intangible assets

Intangible fixed assets are shown at cost less amounts amortised.

Amortisation is provided at a rate calculated to write off the cost on a straight-line basis over its useful economic life commencing the month following the first month of commercial operation of the project for which the licences and consents have been acquired.

f) 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 contractor currency swap rate. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

Statement of accounting policies (continued)

For the year ended 31 December 1997

g) Taxation

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

Deferred taxation is provided using the liability method on all timing differences only to the extent that they are expected to reverse in the future without being replaced.

h) Finance Costs

Finance costs of debt and non-equity shares are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount. Where the finance costs for non-equity shares are not equal to the dividends on these instruments, the difference is also accounted for in the profit and loss account as an appropriation of profits. Finance costs incurred during the course of construction are capitalised in accordance with policy c).

i) Debt

Debt is initially stated at the amount of the net proceeds after deduction of issue costs. The carrying amount is increased by the finance cost in respect of the accounting period and reduced by payments made in the period.

Notes to accounts

For the year ended 31 December 1997

1 Operating expenses

	1997 £'000	1996 £'000
Administrative expenditure	(35)	-
Interest rate swap expense	(6,500)	-
	<u>(6,535)</u>	<u>-</u>

Sutton Bridge Power ('SBP') entered into an interest rate swap agreement to receive variable rate interest and pay fixed rate interest in order to hedge the projected interest cost of the anticipated financing of the power station. Following the issue of the fixed rate bonds (see note 11) SBP paid an affiliate £6.5 million to assume SBP's obligations under the interest rate swap agreement.

2 Investment income

	1997 £'000	1996 £'000
Interest income	8,644	232
Other income	18	-
	<u>8,662</u>	<u>232</u>
less: interest capitalised	(8,644)	-
	<u>18</u>	<u>232</u>

3 Interest payable and similar charges

	1997 £'000	1996 £'000
Interest	127	223
Interest on bonds issued	13,773	-
Amortisation of bond issue costs	141	-
	<u>14,041</u>	<u>223</u>
less: interest and finance costs capitalised	(13,914)	-
	<u>127</u>	<u>223</u>

Notes to accounts (continued)

4 (Loss)/profit on ordinary activities before taxation

(Loss)/profit on ordinary activities before taxation is stated after charging:

	1997 £'000	1996 £'000
Auditors' remuneration	-	-

Auditors remuneration was borne by Enron SB Operations & Maintenance Limited under the terms of a contractual arrangement.

SPV Management Limited receive £5,000 p.a. for their services as a director of Enron SB Limited. These fees are payable from Enron SB Operations & Maintenance Limited. None of the other directors have received any emoluments in respect of their services to the company during the year (1996 £ nil).

The company does not have any employees.

5 Taxation

The tax charge comprises :

	1997 £'000	1996 £'000
UK Corporation tax	-	9

There is no unprovided deferred taxation.

6 Intangible assets

	1997 £'000	1996 £'000
Licences		
Cost and net book value	2,959	2,959

Licences represents miscellaneous wayleaves, easements and grid connection licences relating to the independent power project at Sutton Bridge.

Notes to accounts (continued)

7 Tangible fixed assets

The movement in the year was as follows:

	Assets under construction £'000	Freehold land £'000	Total £'000
Cost and net book value			
Balance at beginning of year	8,237	1,109	9,346
Additions	166,727	-	166,727
Balance at end of year	<u>174,964</u>	<u>1,109</u>	<u>176,073</u>

The cumulative amount of net interest and associated finance costs capitalised and included in the cost of fixed assets is £5,270,000 (1996 - £ nil).

8 Fixed asset investments

a) Group

	1997 £'000	1996 £'000
Investment in gilts	<u>30</u>	<u>-</u>

The market value of the gilts at 31 December 1997 is not materially different to the carrying value.

b) Company

	1997 £'000	1996 £'000
Cost and net book value		
Balance at the beginning of the year	5,856	5,856
Acquisition of 25% of ordinary share capital of Sutton Bridge Power	238	-
Deferred consideration paid in respect of minority interest	1,855	-
Subscription for new ordinary shares in Sutton Bridge Power	37,500	-
Balance at the end of the year	<u>45,449</u>	<u>5,856</u>

On 28 January 1997, the company acquired the remaining 25% of the shares of Sutton Bridge Power (formerly known as Sutton Bridge Power Limited) for a cash consideration of £238,289. No further fair value adjustments were made in respect of the acquisition.

On 4 April 1997, the company paid deferred consideration of £6,808,253 for the acquisition of the entire issued share capital of Sutton Bridge Power which was contingent upon the commencement of construction of the power station at Sutton Bridge.

On 21 May 1997 Sutton Bridge Power issued 37,500,000 ordinary shares of £1 each to the company.

Notes to accounts (continued)

The group's principal subsidiary undertaking are:-

	Place of incorporation and registration	Principal Activity	Description and proportion of shares held
Sutton Bridge Power (formerly Sutton Bridge Power Limited)	England & Wales	Development of the Sutton Bridge power project.	100% ordinary share capital
Sutton Bridge Financing Limited	Cayman Islands	Issue of bonds	100% ordinary share capital

9 Debtors

The following amounts falling due within one year are included in the net book value of debtors:

	Group		Company	
	1997 £'000	1996 £'000	1997 £'000	1996 £'000
VAT receivable	4,705	-	-	-
Prepayments and accrued income	-	6	-	-
Amounts owed by Enron Europe Limited	163,842	-	2,900	-
Amounts owed by associated undertakings	-	38	-	-
Amounts owed by subsidiary undertaking	-	-	-	2,865
Amounts owed by fellow group undertakings	-	-	-	38
	<u>168,547</u>	<u>44</u>	<u>2,900</u>	<u>2,903</u>

The amounts owed by Enron Europe Limited are repayable on demand. Interest accrues at the rate of 0.20 per cent p.a. above the LIBOR rate for three month deposits. Such interest is payable quarterly in arrears and for the number of days elapsed on the basis of a 365 day year.

Notes to accounts (continued)

10 Creditors: amounts falling due within one year

	Group		Company	
	1997 £'000	1996 £'000	1997 £'000	1996 £'000
Trade creditors	10,395	12	-	-
Amounts owed to immediate parent entity	-	3,825	-	3,825
Amounts owed to associated undertakings	-	231	-	-
Amounts owed to subsidiary undertaking	-	-	2,695	-
Amounts owed to other group undertakings	-	955	-	-
Deferred consideration	-	4,954	-	4,954
Corporation tax	24	31	-	-
VAT	-	2	-	-
Accruals and deferred income	27,428	-	33	-
	<u>37,847</u>	<u>10,010</u>	<u>2,728</u>	<u>8,779</u>

11 Creditors: amounts falling due after more than one year

The following amounts are included in creditors falling due after more than one year:

	1997 £'000	1996 £'000
Gross proceeds of bond issue	286,930	-
Finance costs of issue	(7,976)	-
	<u>278,954</u>	<u>-</u>
Amortisation of finance costs	141	-
	<u>279,095</u>	<u>-</u>

The amounts due in respect of the bonds are payable as follows:

	1997 £'000
- Within two to five years	16,387
- After five years	<u>270,543</u>
	<u>286,930</u>

The secured bonds which are guaranteed by Sutton Bridge Power comprise two tranches of twenty five year bonds issued by Sutton Bridge Financing Limited. The first tranche comprises a principal amount of £195,000,000 at a fixed interest rate of 8.625%. The second tranche comprises a principal amount of US\$150,000,000 at a fixed interest rate of 7.97%.

Notes to accounts (continued)

Sutton Bridge Financing have entered into currency swap agreements with an affiliate in order to convert the principal and interest payment on the US dollar bonds into sterling. The effect of these swaps is to convert the US\$150,000,000 payable to an equivalent long term payable with a principal of £91,930,151 and an effective interest rate of 8.45%.

The bonds are secured by means of fixed and floating charges over substantially all the assets and liabilities of the group and at all times rank pari passu and without preference among themselves.

Interest is payable on the bonds semi-annually in arrears on 30 June and 31 December of each year commencing 31 December 1997.

12 Called-up share capital

	1997	1996
	£	£
<i>Authorised</i>		
1,000 ordinary shares of £1 each	-	1,000
200,000 'A' ordinary shares of 0.1p each	200	-
400,000 'C' preference shares of 0.1p each	400	-
200,000 'D' preference shares of 0.1p each	200	-
46,000,000 'E' redeemable preference shares of £1 each	46,000,000	-
200,000 'F' preference shares of 0.1p each	200	-
	<u>46,001,000</u>	<u>1,000</u>
	1997	1996
	£	£
<i>Allotted, called-up and fully-paid</i>		
2 ordinary shares of £1 each	-	2.0
600 'A' ordinary shares of 0.1p each	0.6	-
1,500 'C' preference shares of 0.1p each	1.5	-
100 'D' preference shares of 0.1p each	0.1	-
400 'F' preference shares of 0.1p each	0.4	-
	<u>2.6</u>	<u>2.0</u>

On 21 May 1997 45,600,000 'E' redeemable preference shares of £1 each were issued for cash at par.

On 11 July 1997 the existing ordinary share capital of the company was sub-divided and the rights attaching to the existing shares were varied. The two ordinary shares in issue were replaced by 300 'A' ordinary shares of 0.1p each, 1,500 'C' preference shares of 0.1p each and 200 'F' shares of 0.1p each.

On 11 July 1997 a further 300 'A' ordinary shares of 0.1p each, 100 'D' preference shares of 0.1p each and 200 'F' preference shares of 0.1p each were issued at an aggregate premium which is all attributable to the 'A' ordinary shares of £45,354,220. The proceeds of this issue were used to redeem the 'E' redeemable preference shares for

Notes to accounts (continued)

£45,354,221. The difference between the carrying amount of the 'E' redeemable preference shares and the redemption amount has been transferred to the capital redemption reserve.

'A' ordinary shares

These represent the ordinary share capital of the company, with attached voting rights.

'C' preference shares

These are non-voting shares which are entitled to a fixed preferential cumulative dividend from 31 December 2014 of £7,870,000 for the half year to 31 December 2014 and escalating to £11,750,000 for the half year to 31 December 2022 and for each half year thereafter. These dividends are payable half yearly on 1 July and 31 December after any dividends payable on all the other shares of the company but before any repayment of capital.

The 'C' preference shares are entitled to assets of the company on a winding up equal in total to 0.01 per cent of the remaining assets of the company available for distribution prior only to the distribution of the remaining assets available for distribution to the 'A' ordinary shareholders.

These shares are also entitled to a further, non-cumulative, 0.01 per cent of profits available for distribution in each financial year of the company payable in priority to dividends payable on the 'A' ordinary shares, 'F' preference shares and the fixed 'C' preference share dividend.

'D' preference shares

The 'D' preference shares are non-voting and may be entitled to receive a cumulative dividend payable on 1 July following each financial year. The 'D' preference dividends which are determined in accordance with a prescribed formula will only become payable in the event of any cost overruns occurring on the construction of the power station.

These dividends rank in priority after the payment of the 'E' shares dividend and prior to all other shares and repayment of capital.

'F' preference shares

The 'F' preference shares are non-voting and may be entitled to receive a dividend determined according to a specific formula, which may arise as a result of a delay in the commencement of commercial operations of the power station. In the event that such a dividend is payable it will become due on 1 May 2014.

The 'F' preference shares are entitled to receive a dividend payable after the 'E' preference dividend, the 'D' preference dividend and the additional 'C' preference dividend, but in priority to any rights of the holders of the 'C' preference shares in respect of any fixed 'C' preference dividends and any repayment of capital after 1 May 2014.

Notes to accounts (continued)

13 Reconciliation of movements in shareholders' funds

	1997 £'000	1996 £'000
(Loss)/profit for the year	(6,644)	9
Issue of share capital	45,354	-
Capital redemption reserve	246	-
Net increase	38,956	9
Shareholder's funds, beginning of the year	252	243
Shareholder's funds, end of year.	39,208	252

14 Profit and loss reserves

	1997 £'000
<i>a) Group</i>	
Balance at the beginning of the year	252
Loss for the year	(6,644)
Balance at the end of the year	(6,392)

b) Company

The company has taken advantage of the exemption under Companies Act 1985 section 230, not to prepare a company profit and loss account. The company recorded a retained profit for the year ended 31 December 1997 of £40,000.

15 Minority interests

	£'000
Balance at the beginning of the year	2,093
Acquisition of minority interest	(238)
Deferred consideration in respect of minority interest	(1,855)
Balance at the end of the year	-

The 25% interest in ordinary share capital held by a minority was acquired by the company during the year.

Notes to accounts (continued)

16 Analysis of cash flow movements

a) Reconciliation of operating profit to net cash (outflow)/inflow from operating activities

	1997		1996	
	£'000	£'000	£'000	£'000
Operating loss	(6,535)		-	
Increase in debtors	(4,661)		(3)	
Increase in creditors	6,062		482	
Net cash (outflow)/inflow from operating activities		(5,134)		479

b) Analysis of changes in cash at bank and in hand during the year

	1997 £'000	1996 £'000
Balance at the beginning of the year	6	46
Net cash inflow/(outflow)	8,535	(40)
Balance at end of the year	8,541	6

c) Reconciliation of net cash flows to movement in net debt

	1997 £'000	1996 £'000
Increase/(decrease) in cash in the year	8,535	(39)
Net proceeds from issue of bonds	(278,954)	-
Amortisation of finance costs	(141)	-
	(270,560)	(39)
Net cash , beginning of year	6	45
Net (debt)/ cash , end of year	(270,554)	6

Notes to accounts (continued)

d) Analysis of changes in net debt

	At 1 January 1997 £'000	Cashflows 1997 £'000	At 31 December 1997 £'000
Cash at bank and in hand	6	8,535	8,541
Issue of bonds, net of expenses	-	(278,954)	(278,954)
Amortisation of finance costs	-	(141)	(141)
Net cash (debt)	<u>6</u>	<u>(270,560)</u>	<u>(270,554)</u>

17 Commitments

The group has entered into certain agreements, including related party agreements, for the construction and operation of a 790 megawatt power station located in Sutton Bridge, Lincolnshire, England. These agreements collectively provide for, among other things, (1) the turnkey construction of the plant at a fixed cost (£322 million) by 1 March 1999, (2) the operation and maintenance of the plant for a period of 12 years for an annual fee of approximately £5 million with annual escalation, and (3) the management and administration of the company for 27 years for a quarterly fee of approximately £330,000 with annual escalation. The operation and maintenance agreement and the supply of the Power Island to the project are with General Electric Inc. whilst the other agreements are with Enron Group companies. Foreign exchange swaps have been put in place to cover US dollar payment obligation under each of these contracts. Swap obligations under the Power Island agreement amount to £85 million and obligations covering the CTA period amount to £108.8 million.

The group has entered into a grid connection agreement with the National Grid Company ("NGC") under which the company is obliged to make contributions of £859,615 towards the construction and installation of a 400Kv substation at Walpole, Sutton Bridge. The group entered into a further supplement grid connection agreement dated 9 February 1996 the National Grid Company ("NGC") in respect of new connection sites of users which have not been commissioned.

The amounts received from the bond issue are subject to certain conditions, as set out in the Bond Trust Deed, including inter alia, the placing of those amounts in certain bank accounts in relation to the service of the bonds and capital requirements for the development and construction of the power plant.

18 Ultimate parent company

On 30 June 1997 the company issued new shares to Sutton Bridge Investors and as a result the company is now controlled equally by Enron Europe Limited and Sutton Bridge Investors.