

**REGISTERED NUMBER: 03288106**

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009  
FOR  
POWER OPERATIONS TEESSIDE LIMITED**

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**POWER OPERATIONS TEESSIDE LIMITED**

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FOR THE YEAR ENDED 31 MARCH 2009**

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**POWER OPERATIONS TEESSIDE LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2009**

**DIRECTORS:**

TJ Underdown  
MR Green  
PA Hutchinson

**SECRETARY:**

px Appointments Limited

**REGISTERED OFFICE:**

px House  
Westpoint Road  
Stockton on Tees  
TS17 6BF

**REGISTERED NUMBER:**

03288106 (England and Wales)

**AUDITORS:**

C P Waites  
Chartered Accountants  
Registered Auditors  
24 St Cuthberts Way  
Darlington  
Co. Durham  
DL1 1GB

**POWER OPERATIONS TEESSIDE LIMITED**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2009**

The directors present their report with the financial statements of the company for the year ended 31 March 2009.

**PRINCIPAL ACTIVITY**

The company did not trade in the year with its only source of income being investment income.

**REVIEW OF BUSINESS**

As stated in note 1 of the accounts, the company ceased to trade on 31 March 2008 when its sole trading contract expired.

The directors intend to appoint a liquidator to distribute the assets of the company in the foreseeable future.

**DIVIDENDS**

Dividends of £1,957,780 (2008 - £500,000) were paid during the year ended 31 March 2009 to holders of ordinary shares.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2008 to the date of this report.

TJ Underdown  
MR Green  
PA Hutchinson

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**POWER OPERATIONS TEESSIDE LIMITED**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2009**

**AUDITORS**

The auditors, C P Waites, will be proposed for re-appointment in accordance with Section 385A of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to be 'PA Hutchinson', with a horizontal line extending to the right.

PA Hutchinson - Director

14 December 2009

## **REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF POWER OPERATIONS TEESSIDE LIMITED**

We have audited the financial statements of Power Operations Teesside Limited for the year ended 31 March 2009 on pages six to thirteen. These financial statements have been prepared under the accounting policies set out therein.

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

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

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

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF  
POWER OPERATIONS TEESSIDE LIMITED**

**Emphasis of matter - going concern**

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the company's ability to continue as a going concern. The directors intend to appoint a liquidator to distribute the remaining assets of the company and ultimately to wind the company up and therefore the directors are unable to confirm that the company will continue for a period of more than one year from the date that the financial statements have been approved. In view of the significance of this matter we consider that it should be drawn to your attention that the company is not a going concern.



C P Waite  
Chartered Accountants  
Registered Auditors  
24 St Cuthberts Way  
Darlington  
Co. Durham  
DL1 1GB

14 December 2009

**POWER OPERATIONS TEESSIDE LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2009**

	Notes	2009 £	2008 £
<b>TURNOVER</b>		-	6,631,159
Cost of sales		<u>-</u>	<u>7,176,153</u>
<b>GROSS LOSS</b>		-	(544,994)
Administrative expenses		<u>529</u>	<u>1,092,319</u>
<b>OPERATING LOSS</b>	3	(529)	(1,637,313)
Exceptional item	4	<u>-</u>	<u>2,755,470</u>
		(529)	1,118,157
Interest receivable and similar income	5	<u>24,205</u>	<u>37,998</u>
		23,676	1,156,155
Interest payable and similar charges	6	<u>654</u>	<u>18,405</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		23,022	1,137,750
Tax on profit on ordinary activities	7	<u>4,042</u>	<u>118,835</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u>18,980</u>	<u>1,018,915</u>

**DISCONTINUED OPERATIONS**

All of the company's activities were discontinued during the previous year following the expiry of the operations and management agreement with Teesside Power Limited on 31 March 2008.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current year or previous year.

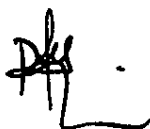
The notes form part of these financial statements

**POWER OPERATIONS TEESSIDE LIMITED**

**BALANCE SHEET  
31 MARCH 2009**

	Notes	2009 £	2008 £
<b>CURRENT ASSETS</b>			
Debtors	9	200	3,558,850
Cash at bank		-	1,693,047
		200	5,251,897
<b>CREDITORS</b>			
Amounts falling due within one year	10	-	3,312,897
<b>NET CURRENT ASSETS</b>		200	1,939,000
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		200	1,939,000
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	200	200
Profit and loss account	12	-	1,938,800
<b>SHAREHOLDERS' FUNDS</b>	13	200	1,939,000

The financial statements were approved by the Board of Directors on 14 December 2009 and were signed on its behalf by:



PA Hutchinson - Director

The notes form part of these financial statements

**POWER OPERATIONS TEESSIDE LIMITED**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2009**

	Notes	2009 £	2008 £
<b>Net cash inflow from operating activities</b>	1	435,844	2,488,658
<b>Returns on investments and servicing of finance</b>	2	23,551	19,593
<b>Taxation</b>		(194,662)	(338,020)
<b>Equity dividends paid</b>		<u>(1,957,780)</u>	<u>(500,000)</u>
<b>(Decrease)/Increase in cash in the period</b>		<u><u>(1,693,047)</u></u>	<u><u>1,670,231</u></u>
<hr/>			
<b>Reconciliation of net cash flow to movement in net funds</b>	3		
<b>(Decrease)/Increase in cash in the period</b>		<u>(1,693,047)</u>	<u>1,670,231</u>
<b>Change in net funds resulting from cash flows</b>		<u>(1,693,047)</u>	<u>1,670,231</u>
<b>Movement in net funds in the period</b>		<u>(1,693,047)</u>	<u>1,670,231</u>
<b>Net funds at 1 April 2008</b>		<u>1,693,047</u>	<u>22,816</u>
<b>Net funds at 31 March 2009</b>		<u><u>-</u></u>	<u><u>1,693,047</u></u>

The notes form part of these financial statements

**POWER OPERATIONS TEESSIDE LIMITED**

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2009**

**1. RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2009 £	2008 £
Operating loss	(529)	(1,637,313)
Depreciation charges	-	2,261,052
Exceptional items	-	2,755,470
Decrease in debtors	3,558,650	1,100,753
Decrease in creditors	<u>(3,122,277)</u>	<u>(1,991,304)</u>
<b>Net cash inflow from operating activities</b>	<u><b>435,844</b></u>	<u><b>2,488,658</b></u>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2009 £	2008 £
<b>Returns on investments and servicing of finance</b>		
Interest received	24,205	37,998
Interest paid	<u>(654)</u>	<u>(18,405)</u>
<b>Net cash inflow for returns on investments and servicing of finance</b>	<u><b>23,551</b></u>	<u><b>19,593</b></u>

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1/4/08 £	Cash flow £	At 31/3/09 £
Net cash:			
Cash at bank	<u>1,693,047</u>	<u>(1,693,047)</u>	-
	<u>1,693,047</u>	<u>(1,693,047)</u>	-
<b>Total</b>	<u><b>1,693,047</b></u>	<u><b>(1,693,047)</b></u>	<u><b>-</b></u>

The notes form part of these financial statements

**POWER OPERATIONS TEESSIDE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2009**

**1. ACCOUNTING POLICIES**

**Going concern**

On 31 March 2008 the operations and management agreement with Teesside Power Limited expired and the company ceased to trade.

As a result of this the directors intend to appoint a liquidator to distribute the assets of the company and ultimately wind it up. Consequently the directors are unable to confirm that the company will continue for a period of more than one year from the date that the financial statements have been approved.

The accounts have been prepared on the basis that the company is not a going concern with all assets stated at their recoverable amounts.

**Accounting convention**

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

**Turnover**

Turnover in respect of the previous year represents the income, excluding value added tax, derived from the UK operations and management agreement with Teesside Power Limited.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**Intangible assets and amortisation**

The intangible asset was stated at cost less accumulated amortisation. The asset was amortised on a straight line basis over its estimated life.

**Fixed asset investments**

Fixed asset investments were shown at cost less provision for any impairment in value.

**2. STAFF COSTS**

There were no staff costs for the year ended 31 March 2009 nor for the year ended 31 March 2008.

**3. OPERATING LOSS**

The operating loss is stated after charging:

	2009 £	2008 £
Amortisation of intangible asset	-	2,261,052
Auditors' remuneration	-	11,000
	<hr/>	<hr/>
Directors' emoluments	-	-
	<hr/>	<hr/>

Auditor's remuneration in respect of the current year will be paid by Omegron Limited.

**POWER OPERATIONS TEESSIDE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2009**

**4. EXCEPTIONAL ITEM**

	2009 £	2008 £
Amounts recoverable from Enron Power Operations Limited (In Administration)	<u>-</u>	<u>2,755,470</u>

As a result of Enron Power Operations Limited going into administration the amount owed by it was fully provided in the accounts for the year ended 31 December 2001.

In July 2008, the remaining claim in respect of the prior year debts of Enron Power Operations Limited (In Administration) were sold for £2,755,470. This was recognised within the accounts for the year ended 31 March 2008 and received during the year ended 31 March 2009.

**5. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2009 £	2008 £
Bank interest	14,884	37,998
Interest on corporation tax	<u>9,321</u>	<u>-</u>
	<u>24,205</u>	<u>37,998</u>

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	2009 £	2008 £
Interest on corporation tax	<u>654</u>	<u>18,405</u>

**7. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	2009 £	2008 £
Current tax:		
UK corporation tax	4,042	193,450
Prior year	<u>-</u>	<u>(74,615)</u>
Tax on profit on ordinary activities	<u>4,042</u>	<u>118,835</u>

UK corporation tax has been charged at 28% (2008 - 30%).

**POWER OPERATIONS TEESSIDE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2009**

**7. TAXATION - continued**

**Factors affecting the tax charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2009 £	2008 £
Profit on ordinary activities before tax	<u>23,022</u>	<u>1,137,750</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 - 30%)	6,446	341,325
Effects of:		
Amortisation of intangible fixed asset	-	678,316
Disallowable expenditure	140	450
Adjustment in respect of prior periods	-	(74,615)
Exceptional items	-	(826,641)
Unrelieved management expenses	8	-
Corporation tax to be settled by shareholder	<u>(2,552)</u>	<u>-</u>
Current tax charge	<u>4,042</u>	<u>118,835</u>

**8. DIVIDENDS**

	2009 £	2008 £
Ordinary shares of £1 each		
Interims	<u>1,957,780</u>	<u>500,000</u>

**9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2009 £	2008 £
Amounts owed by group undertakings	200	2,755,470
Prepayments and accrued income	<u>-</u>	<u>803,380</u>
	<u>200</u>	<u>3,558,850</u>

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2009 £	2008 £
Trade creditors	-	17,420
Corporation tax	-	190,620
Social security and other taxes	-	447,433
Dividends proposed	-	150
Loan	-	50,000
Accruals and deferred income	<u>-</u>	<u>2,607,274</u>
	<u>-</u>	<u>3,312,897</u>

**POWER OPERATIONS TEESSIDE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2009**

**11. CALLED UP SHARE CAPITAL**

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2009 £	2008 £
100	Ordinary	£1	100	100
100	Preference	£1	<u>100</u>	<u>100</u>
			<u>200</u>	<u>200</u>

**12. RESERVES**

	Profit and loss account £
At 1 April 2008	1,938,800
Profit for the year	18,980
Dividends	<u>(1,957,780)</u>
At 31 March 2009	<u>-</u>

**13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2009 £	2008 £
Profit for the financial year	18,980	1,018,915
Dividends	<u>(1,957,780)</u>	<u>(500,000)</u>
<b>Net (reduction)/addition to shareholders' funds</b>	<b>(1,938,800)</b>	<b>518,915</b>
Opening shareholders' funds	<u>1,939,000</u>	<u>1,420,085</u>
<b>Closing shareholders' funds</b>	<b><u>200</u></b>	<b><u>1,939,000</u></b>

**14. CONTROLLING PARTY**

50% of the issued share capital is owned by Enron Power Operations Limited (In Administration), registered in England & Wales. The largest group in which the results of the company are consolidated is that headed by Enron Corp. In November and December 2001, Enron Corp. commenced insolvency related proceedings in the US and obtained bankruptcy protection under Chapter 11. The smallest group in which the results are consolidated is that headed by Enron Power Operations Limited (In Administration), registered in England & Wales. Details concerning the consolidated accounts of these groups may be found by enquiry of PricewaterhouseCoopers, Plumtree Court, London EC4A 4HT.

**POWER OPERATIONS TEESSIDE LIMITED**

**TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2009**

	2009		2008
	£	£	£
<b>Turnover</b>			
Income from operations and management agreement		-	6,631,159
<b>Cost of sales</b>			
Management charges and agency fees	-		4,915,101
Amortisation of intangible fixed assets	<u>-</u>	<u>-</u>	<u>2,261,052</u>
			<u>7,176,153</u>
<b>GROSS LOSS</b>		-	(544,994)
<b>Other income</b>			
Bank interest	14,884		37,998
Interest on corporation tax	<u>9,321</u>	<u>-</u>	<u>-</u>
		<u>24,205</u>	<u>37,998</u>
		24,205	(506,996)
<b>Expenditure</b>			
Travel and accommodation	-		3,138
Sundry expenses	500		1,529
Legal and professional	-		1,076,571
Auditors' remuneration	<u>-</u>	<u>500</u>	<u>11,000</u>
			<u>1,092,238</u>
		23,705	(1,599,234)
<b>Finance costs</b>			
Bank charges	29		81
Interest on corporation tax	<u>654</u>	<u>683</u>	<u>18,405</u>
			<u>18,486</u>
		23,022	(1,617,720)
<b>Exceptional items</b>			
Exceptional item		<u>-</u>	<u>2,755,470</u>
<b>NET PROFIT</b>		<u>23,022</u>	<u>1,137,750</u>

This page does not form part of the statutory financial statements