

Npower Northern Limited

Directors' report and financial statements
for the period ended 31 December 2003

Registered no: 03432100



Npower Northern Limited

Directors' report and financial statements for the period ended 31 December 2003

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Npower Northern Limited

Directors' report for the period ended 31 December 2003

The directors present their report on the affairs of Npower Northern Limited (the Company), together with the financial statements and independent auditors' report for the 15 month period ended 31 December 2003.

Principal activity and review of the business

The principal activities of the Company are the marketing and supply of electricity and natural gas and related services to domestic, commercial and industrial consumers.

The period ended December 2003 has been a significant period for the RWE Retail Group, of which Npower Northern Limited is a part. With focus being fixed on integrating its past acquisitions, improving its operational processes and thereby extracting value, the operating performance has improved compared to the prior year. This focus will continue for the foreseeable future.

Review of results and dividends

The results for the period are shown on page 5.

The directors do not recommend the payment of a dividend (period ended 30 September 2002: £Nil).

Directors and their interests

The directors who held office during the period were as follows:

Dr BM Count	(resigned 1 September 2003)
CJ Millington	(resigned 24 March 2003)
AJ Duff	
M Bowden	(appointed 7 October 2002)

According to the register required to be kept under section 325 of the Companies Act 1985 none of the Directors of the Company at 31 December 2003 held any interest in the share options or debentures of group companies incorporated in the United Kingdom. As permitted by statutory instrument, the register does not include shareholdings of Directors in companies incorporated outside Great Britain.

During the year no directors (2002: three directors) exercised share options in RWE Innogy Holdings Plc.

Employees

The energy, innovation and creativity of our staff add value to our businesses.

The company is committed to the development of all staff in the organisation in order to leverage our intellectual capital. Staff are encouraged to maintain personal development plans and the company provides financial support to employees to pursue training opportunities.

The major changes within the Company mean that effective communications with staff are vital. Corporate publications and other media, including distribution of key development messages and team briefings, are used to promote wide understanding of policies and strategy. We also utilise the latest technology to aid rapid communication with staff around the world through use of a comprehensive Company Intranet.

Npower Northern Limited

Directors' report for the period ended 31 December 2003 (continued)

Equal Opportunities and Diversity

The company is committed to equal opportunity and diversity because of a sense of social responsibility and also because it makes sound business sense to tap into the wide-ranging knowledge and experience of individuals in all sectors of society. Through its commitment to valuing the talents of its employees, the Group aims to ensure that it is able to compete in attracting and retaining high calibre employees with wide-ranging experience and is therefore able to respond positively and flexibly to change. Decisions to appoint, reward, train, develop and promote are taken based on skills and abilities, or demonstrated potential, merit and the requirements of the job. Employment decisions affecting both job applicants and employees with disabilities will be made following any reasonable adjustments that may be necessary to ensure fair treatment.

The Group is a member of the Employers' Forum on Disability, Opportunity Now and the Employers' Forum on Age and is committed to the aims of these organisations.

Creditor payment policy

Npower Northern Limited recognises the need to observe the highest standards of business practice in its role as buyer and seller. Its immediate parent company, RWE Innogy plc, subscribes to the CBI's Prompt Payment Code and has formally adopted British Standard 7890 Methods for Achieving Good Payment Performance in Commercial Transactions and this is an achievement and a standard that Npower Northern Limited is seeking to emulate. Npower Northern Limited's average number of days outstanding in respect of trade creditors calculated in accordance with the Companies Act, at 31 December 2003 was 79 (2002: 38) days.

Charitable contributions

The company made no political contributions during the year. Donations to charities registered in the United Kingdom amounted to £200 (2002: £nil).

Going concern

The directors of RWE Innogy plc, the immediate parent company, have indicated their willingness to continue to provide financial support to the company for the foreseeable future, at least one year from the date of approval of these accounts, sufficient for the company to meet its obligations as they fall due. As a result, the directors have prepared the accounts on a going concern basis.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year 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 assume that the Company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently, as explained under note 1, "Accounting policies". They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the period ended 31 December 2003 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, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Directors' report for the period ended 31 December 2003 (continued)

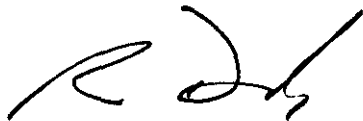
Auditors

PricewaterhouseCoopers LLP was appointed as auditors of the company on 25 February 2004.

Pursuant to Section 386 of the Companies Act 1985, the Company has dispensed with the obligation to appoint auditors annually. PricewaterhouseCoopers LLP will continue to act as auditors of the company.

Pursuant to Section 366A of the Companies Act 1985 the Company has dispensed with the obligation to hold an annual general meeting and pursuant to Section 379A the Company has dispensed with the requirement to lay accounts before a general meeting.

By order of the board

A handwritten signature in black ink, appearing to be 'R Duff', written over a horizontal line.

Andrew Duff
Director

18 June 2004

Independent auditors' report to the members of Npower Northern Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

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. This report, including the opinion has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the Directors' report.

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 the Company's affairs at 31 December 2003 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham
18 June 2004

Npower Northern Limited

Profit and loss account for the period ended 31 December 2003

		15 month period ended 31 December 2003	18 month period ended 30 September 2002
	Note	£'000	£'000
Turnover	1	792,303	905,003
Cost of sales		(599,643)	(754,094)
Gross profit		192,660	150,909
Administrative expenses (including redundancy costs of £11,729,000 (2002 - £7,700,000))	3	(167,344)	(133,982)
Operating profit		25,316	16,927
Interest receivable	4	3,651	455
Interest payable and similar charges	5	(19,696)	(14,600)
Profit on ordinary activities before taxation	6	9,271	2,782
Tax on profit on ordinary activities	7	(14,473)	-
(Loss) / profit for the financial period	15	(5,202)	2,782

All amounts are derived from continuing operations.

There were no recognised gains or losses in the current or preceding financial period other than the (loss) / profit for those financial periods.

There is no difference between the results above and their historical cost equivalents.

Npower Northern Limited

Balance sheet at 31 December 2003

		31 December 2003	30 September 2002
	Note	£'000	£'000
Fixed assets			
Intangible assets	8	544,637	583,004
Tangible assets	9	4,793	11,400
		549,430	594,404
Current assets			
Stocks	10	56	70
Debtors due within one year	11	228,262	123,231
Debtors due after more than one year	11	-	38,629
Cash at bank and in hand		475	63,152
		228,793	225,082
Creditors: amounts falling due within one year	12	(518,885)	(503,031)
Net current liabilities		(290,092)	(277,949)
Total assets less current liabilities		259,338	316,455
Provisions for liabilities and charges	13	(261,758)	(313,673)
Net (liabilities) / assets		(2,420)	2,782
Capital and reserves			
Called up share capital	14	-	-
Profit and loss account	15	(2,420)	2,782
Total equity shareholders' funds - deficit	16	(2,420)	2,782

The financial statements on pages 5 to 19 were approved by the board of directors on 18 June 2004 and were signed on its behalf by:


Andrew Duff
 Director

Npower Northern Limited

Notes to the financial statements for the period ended 31 December 2003

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements. The financial statements have been prepared on a going concern basis.

Basis of preparation

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

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

The financial statements have been prepared on a going concern basis which assumes that the Company will continue to trade. The basis of this assumption depends on the support of the immediate parent company, RWE Innogy plc. The immediate parent company has indicated that it intends to provide funds as are necessary for the Company to trade for the foreseeable future.

As the Company was a wholly owned subsidiary of RWE AG, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of RWE AG, within which this Company is included, can be obtained from the address given in note 19.

Goodwill

In accordance with FRS 10: Goodwill and Intangible Assets, goodwill arising on acquisition, being the difference between the fair value of the purchase consideration and the fair value of the identifiable net assets/liabilities of an acquired business, is capitalised and amortised in equal annual instalments over its estimated useful service life of 20 years.

Impairment reviews are undertaken in accordance with the requirements of FRS 11: Impairments of fixed assets and goodwill.

Turnover

Turnover is recognised at the date of supply of services to customers, and comprises the value of sales of goods and services, excluding VAT and other indirect taxes in the normal course of business. The Company operates in one class of business, the marketing and supply of electricity and related services, and in one geographical segment, the United Kingdom.

Tangible fixed assets

Tangible fixed assets are stated at original cost less accumulated depreciation.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

Long leasehold land and buildings	-	period of lease
Office equipment and furniture	-	3-5 years
Computer software costs	-	10 years

Estimated useful lives are reviewed periodically, taking into account commercial and technological obsolescence as well abnormal wear and tear, provision being made for any permanent diminution in value.

Npower Northern Limited

Notes to the financial statements for the period ended 31 December 2003 (continued)

1 Accounting policies (continued)

Pension costs

Pension contributions into defined benefit schemes are charged to the profit and loss account so as to spread the cost of pension over employees' working lives. The regular cost is attributed to individual years using the projected unit credit method. Variations in pension costs, which are identified as a result of actuarial valuations, are amortised over the average expected remaining working lives of employees. Any differences between the amounts funded and the amounts charged to the profit and loss account are treated as either provisions or prepayments in the balance sheet.

In accordance with the transitional arrangements under FRS 17: Retirement Benefits, additional disclosures are required for the period ended 31 December 2003. These are disclosed in note 18 to the financial statements.

Contributions payable under money-purchase schemes are charged to the profit and loss account as they fall due.

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of metering stocks, the weighted average purchase price is used.

Taxation

The charge for taxation is based on the profit for the year and takes into account deferred taxation. Except where otherwise required by accounting standards, full provision without discounting is made for all timing differences which have arisen but not reversed at the balance sheet date.

Accounting estimations

In accounting for revenues and direct costs, the company employs a forecasting process using forecast models to calculate the accruals required at the accounting period end. The models are continuously updated with historical actual data downloaded from the financial ledgers which in turn will improve the accuracy of the forecast data. The accuracy of the forecast data is reviewed each period end to identify any significant movements to actual results and adjustments made. The actual billings and costs are compared with the estimates in hindsight and adjustments made where material.

2 Directors' emoluments

The Directors of Npower Northern Limited received no remuneration from the company. These Directors were remunerated for their services to the group as a whole, including Npower Northern, by other group companies and it is not possible to allocate their emoluments to Npower Northern Limited. Details of the Directors' aggregate remuneration are set out in the accounts of Npower Yorkshire Limited in respect of Mrs C Millington and in the accounts of RWE Innogy Holdings plc for all other directors.

No director was a member of the defined contribution schemes (30 September 2002: no directors). All directors are members of defined benefit schemes (30 September 2002: all directors).

Npower Northern Limited

Notes to the financial statements for the period ended 31 December 2003 (continued)

3 Staff numbers and costs

The average number of persons employed by the company (including directors) during the period, analysed by category, was as follows:

	Number of employees	
	15 month period ended 31 December 2003	18 month period ended 30 September 2002
Operating employees	1,189	1,393

The aggregate payroll costs of these persons were as follows:

	15 month period ended 31 December 2003	18 month period ended 30 September 2002
	£'000	Restated £'000
Wages and salaries (including redundancy costs of £1,416,000 (2002 - £7,700,000))	29,601	40,668
Social security costs	2,452	2,240
Other pension costs (including redundancy costs of £10,313,000 (2002 - £nil))	10,475	1,659
Staff costs (including redundancy costs of £11,729,000 (2002 - £7,700,000))	42,528	44,567

As part of the ongoing integration of the company with other Npower businesses, redundancy costs of £11,729,000 (30 September 2002: £7,700,000) have been incurred.

The prior year numbers have been restated to include redundancy costs that were not included in staff costs.

4 Interest receivable

	15 month period ended 31 December 2003	18 month period ended 30 September 2002
	£'000	£'000
Bank interest	3,651	455

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Notes to the financial statements for the period ended 31 December 2003 (continued)

5 Interest payable and similar charges

	15 month period ended 31 December 2003	18 month period ended 30 September 2002
	£'000	£'000
On bank loans and overdrafts	1,690	36
Interest charge on discounted provisions (see note 13)	18,006	14,564
	19,696	14,600

6 Profit on ordinary activities

	15 month period ended 31 December 2003	18 month period ended 30 September 2002
	£'000	£'000
Profit on ordinary activities is stated after charging:		
Auditors' remuneration:		
Audit	45	94
Other services - fees paid to the auditor	2	10
Depreciation of tangible fixed assets (note 9)	2,919	3,651
Impairment of tangible fixed assets (note 9)	3,712	-
Amortisation of goodwill (note 8)	38,367	31,608
Operating lease charges – plant and machinery	1,498	836
Operating lease charges – other	719	385
Redundancy and rationalisation	11,729	7,700

As part of the ongoing integration of the company activities with other Npower businesses, redundancy and rationalisation costs of £11,729,000 (30 September 2002: £7,700,000) have been incurred.

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Notes to the financial statements for the period ended 31 December 2003 (continued)

7 Taxation on profit on ordinary activities

	15 month period ended 31 December 2003	18 month period ended 30 September 2002
	£'000	£'000
United Kingdom taxation at 30%:		
Group relief payable	16,926	-
Adjustment in respect of prior periods	7,995	-
Total current tax	24,921	-
Deferred tax:		
Current year deferred tax credit (note 11)	(2,668)	-
Adjustment in respect of prior periods (previously not recognised)	(7,780)	-
Total deferred tax	(10,448)	-
Tax on profit on ordinary activities	14,473	-

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Notes to the financial statements for the period ended 31 December 2003 (continued)

7 Taxation on profit on ordinary activities (continued)

The current tax charge for the period is higher (30 September 2002: lower) than the standard rate of corporation tax in the UK 30% (2002: 30%). The differences are explained below:

	15 month period ended 31 December 2003	18 month period ended 30 September 2002
	£'000	£'000
Profit on ordinary activities before tax	9,271	2,782
Current tax at 30% (2002: 30%)	2,781	835
Effects of:		
Expenses not deductible for tax purposes (primarily goodwill amortisation)	11,477	9,700
Capital allowances for period in excess of depreciation	(1,164)	(2,540)
Other timing differences	3,832	-
Utilisation of tax losses	-	(7,995)
Adjustment in respect of prior periods	7,995	-
Total current tax charge	24,921	-

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Notes to the financial statements for the period ended 31 December 2003 (continued)

8 Intangible fixed assets

	Goodwill
	£'000
Cost	
At 1 October 2002 and 31 December 2003	614,612
Amortisation	
At 1 October 2002	31,608
Charged in the period	38,367
At 31 December 2003	69,975
Net book value	
At 31 December 2003	544,637
At 31 September 2002	583,004

The Directors consider each acquisition separately for the purpose of determining the amortisation period of any goodwill that arises.

The Directors estimate that the useful economic life of this goodwill is at least 20 years and it is amortised over 20 years in accordance with FRS 10.

Npower Northern Limited

Notes to the financial statements for the period ended 31 December 2003 (continued)

9 Tangible fixed assets

	Long leasehold land and buildings	Office equipment	Computer software	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 October 2002	2,000	6,215	6,836	15,051
Additions	-	17	7	24
At 31 December 2003	2,000	6,232	6,843	15,075
Depreciation				
At 1 October 2002	12	2,459	1,180	3,651
Charge for the period	31	1,755	1,133	2,919
Impairment charge in the period	-	-	3,712	3,712
At 31 December 2003	43	4,214	6,025	10,282
Net book value				
At 31 December 2003	1,957	2,018	818	4,793
At 31 September 2002	1,988	3,756	5,656	11,400

During the period, a review of the carrying value of the tangible fixed assets was carried out. As a result of this tangible fixed assets were written down by £3,712,000, reflecting the recoverable value of the company's computer software.

10 Stocks

	31 December 2003	30 September 2002
	£'000	£'000
Metering stocks	56	70

Npower Northern Limited

Notes to the financial statements for the period ended 31 December 2003 (continued)

11 Debtors

	31 December 2003	30 September 2002
	£'000	£'000
Trade debtors	74,038	27,231
Amounts owed by group undertakings	40,700	50,836
Other debtors	-	1,204
Prepayments and accrued income	103,076	82,589
Deferred tax	10,448	-
	228,262	161,860

Debtors include amounts owed by group undertakings of £nil (2002: £38,629,000) due after more than one year.

Prepayments and accrued income includes accruals for electricity and gas consumed of £97,700,000 (2002: £61,800,000).

Analysis of deferred tax balance

	31 December 2003	30 September 2002
	£'000	£'000
Short term timing differences	3,832	-
Timing differences in respect of capital allowances	6,616	-
Total deferred tax balance	10,448	-

Analysis of movement in deferred tax asset

	£'000
At 1 January 2003	-
Credited to profit and loss account (note 7)	10,448
At 31 December 2003	10,448

Npower Northern Limited

Notes to the financial statements for the period ended 31 December 2003 (continued)

12 Creditors: amounts falling due within one year

	31 December 2003	30 September 2002
	£'000	£'000
Bank overdraft	1,422	-
Trade creditors	120,852	45,637
Amounts owed to group undertakings	367,877	436,207
Other creditors	-	1,955
Accruals and deferred income	28,734	19,232
	518,885	503,031

The amounts owed to group undertakings are subject to annual renewal by agreement with RWE Innogy plc. Such amounts have therefore been included within current liabilities. As at the date of these financial statements the Directors are not aware of any intention of RWE Innogy plc to require repayment of such funding, other than by way of transfer of surplus funds arising within the Company's operations.

Amounts owed to group undertakings include £24,921,000 in respect of group relief payable (30 September 2002: £nil).

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Notes to the financial statements for the period ended 31 December 2003 (continued)

13 Provisions for liabilities and charges

	Reorganisation provision	PPA provision	Other provisions	Total
	£'000	£'000	£'000	£'000
At 1 October 2002	7,052	306,494	127	313,673
Utilised during period	(6,138)	(75,653)	(92)	(81,883)
Created in the period	11,962	-	-	11,962
Unwinding of discounted amount	-	18,006	-	18,006
At 31 December 2003	12,876	248,847	35	261,758

The reorganisation provision represents the provision for redundancy and related costs in respect of the ongoing business re-organisation.

A provision is included within the balance sheet in respect of a power purchase agreement (PPA), which was onerous at the date of acquisition, and reflects the fair value of the agreement at that date in accordance with FRS 7: Fair values in acquisition accounting. The provision is expected to be utilised over the next 4 years and has been discounted at a range of pre-tax discount rates (namely 4.5%) which represents the market assessment of the time value of money at the date of acquisition on a predominately risk free basis, as the fair value calculation already reflects the material risks which have been identified.

14 Called up share capital

	31 December 2003	30 September 2002
	£	£
Authorised		
100 Ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	2	2

Npower Northern Limited

Notes to the financial statements for the period ended 31 December 2003 (continued)

15 Reserves

	Profit and loss account
	£'000
At 1 October 2002	2,782
Loss for the financial period	(5,202)
At 31 December 2003	(2,420)

16 Reconciliation of shareholders' funds

	31 December 2003	30 September 2002
	£'000	£'000
(Loss) / profit for the financial period	(5,202)	2,782
Net (decrease) / increase in shareholders' funds	(5,202)	2,782
Opening shareholders' funds	2,782	-
Closing shareholders' funds - deficit	(2,420)	2,782

17 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	31 December 2003		30 September 2002	
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
Operating leases which expire				
Within one year	485	241	14	138
In the second to fifth years inclusive	37	388	586	640
Over five years	138	-	88	-
	660	629	688	778

Npower Northern Limited

Notes to the financial statements for the period ended 31 December 2003 (continued)

18 Pensions

The majority of pensions are funded through the RWE Innogy section of the Electricity Supply Pension Scheme (IESPS) which is a defined benefit scheme. During the year this has been expanded to accommodate a number of other defined benefit schemes, including the RWE Innogy Group Pension Scheme, which a number of the Company's employees were members of. There is also a defined contribution scheme, the RWE Innogy Group Defined Contribution Scheme (IGDCS).

The pension charge for the year amounted to £162,000 (2002: £1,659,000) being £Nil (2002 : £1,397,000) for the defined benefit schemes and £162,000 (2002: £262,000) in respect of the money purchase based scheme. There were no prepaid or accrued contributions at 31 December 2003.

Whilst the Company continues to account for pension costs in accordance with Statement of Standard Accounting Practice 24 "Accounting for Pension costs", under Financial Reporting Standard 17 "Retirement Benefits" the following transitional disclosures are required:

For the IESPS scheme, while the Company's contributions are affected by any surplus or deficit in the scheme, *the Company is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. Therefore as permitted by FRS 17 the scheme will be accounted for as multi employer.*

The last formal valuation of the schemes was carried out as at 31 March 2001. At that date the surplus in the IESPS was £319 million and in the IGPS was £1.9 million giving a funding level of 114% and 103.8% respectively. At that date the combined surplus of the schemes that have been merged together was £422 million giving a funding level of 114%.

The total pension credit for the combined schemes for the whole group, including Npower Limited was £18 million (2002: a credit of £13 million).

Independent actuaries have assessed the FRS 17 position as at 31 December 2003 for the RWE Innogy section of the IESPS scheme as a whole by updating the last formal valuation using methods appropriate for FRS 17. At this date there was no deficit or surplus in the scheme.

At the current time the Company does not expect that this FRS 17 valuation would have any immediate P&L impact on the financial statements, with contributions expected to continue at the current level until the next actuarial assessment at 31 March 2004.

19 Ultimate parent and controlling company

The company's immediate parent company is RWE Innogy plc, a company incorporated in Great Britain and registered in England and Wales. Copies of the financial statements of RWE Innogy plc are available from the company secretary at Windmill Hill Business Park, Whitehill Way, Swindon SN5 6PB.

The company's ultimate parent company is RWE AG, a company registered in Germany. Copies of the group financial statements are available from RWE AG, Opernplatz 1, D0-45128, Essen, Germany.