

Wainstones Power Limited
Annual report
for the year ended 31 December 2000

Registered Number 3462783



Wainstones Power Limited

Annual report

for the year ended 31 December 2000

Contents

Directors' report for the year ended 31 December 2000.....	1
Auditors' report to the members of Wainstones Power Limited.....	3
Profit and loss account for the year ended 31 December 2000.....	4
Balance sheet as at 31 December 2000.....	5
Accounting policies	6
Notes to the financial statements for the year ended 31 December 2000	7

Wainstones Power Limited

Directors' report for the year ended 31 December 2000

The directors present their report and the audited financial statements of the company for the year ended 31 December 2000.

Principal activity

The principal activity of the company is the development of an 800 MW gas fired electricity generating facility at Langage Energy Park in Plymouth, Devon.

The company's ultimate parent undertaking is Xcel Energy (formerly Northern States Power Company), a company incorporated in the United States of America.

Review of business and future developments

Wainstones Power Limited was incorporated on 10 November 1997 with an issued share capital of £20. In addition, capital contributions totalling £1,739,000 (1999 £3,048,728) have been received in cash from NR Generating Holdings (No 11) B.V., the Company's immediate parent undertaking, during the year.

An application to obtain consent to commence construction under Section 36 of the Electricity Act 1989 was submitted to the Secretary of State in June 1998 and consent was granted in November 2000. The project has also received consent under Section 14 of the Energy Act 1976 and has deemed planning consent under the Town and Country Planning Act 1990. The company is currently evaluating tenders to construct the facility and is negotiating to secure a long term gas supply. The intention is to approach the financial markets in 2002 to raise long term debt to finance the construction and operation of the facility. Construction is expected to commence by the end of 2002 and commercial operations in 2004/2005.

NRG Energy Inc, an intermediate parent company, has undertaken to provide financial support in order that the company can meet its obligations as they fall due.

Results and dividends

The profit and loss account for the year is set out on page 4. The directors do not recommend the payment of a dividend and the loss for the year of £1,361,396 (1999 £2,234,606) has therefore been deducted from reserves.

Directors and their interests

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

G S Stapleton

K Clarke

R J Brown (resigned 21 September 2001)

R J Will (resigned 31 August 2001)

R I Cottee (appointed 21 September 2001)

M W Hart (appointed 21 September 2001)

None of the directors had a beneficial interest in the shares of the company during the year.

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 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.

Wainstones Power Limited

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2000 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



R I Cottee
Director

25 January 2002

Registered office:

Pickfords Wharf
Clink Street
London
SE1 9DG

Wainstones Power Limited

Auditors' report to the members of Wainstones Power Limited

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on pages 1 and 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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.

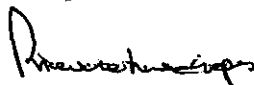
Basis of audit opinion

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 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Hull
25 January 2002

Wainstones Power Limited

Profit and loss account for the year ended 31 December 2000

	Note	2000 £	1999 £
Administrative expenses		(1,372,015)	(2,264,964)
Operating loss	1	(1,372,015)	(2,264,964)
Interest	2	15,171	43,524
Loss on ordinary activities before taxation		(1,356,844)	(2,221,440)
Taxation	4	(4,552)	(13,166)
Loss for the year deducted from reserves	8	(1,361,396)	(2,234,606)

The company has no recognised gains or losses other than the loss for the year reported above.

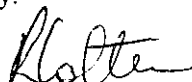
There is no difference between the loss on ordinary activities before taxation and the loss for the year stated above and their historical cost equivalents.

Wainstones Power Limited

Balance sheet as at 31 December 2000

	Note	2000 £	1999 £
Current assets			
Debtors	5	1,134,372	147,754
Cash at bank and in hand		163,843	1,005,569
		1,298,215	1,153,323
Creditors - Amounts falling due within one year	6	(134,799)	(367,511)
Net current assets		1,163,416	785,812
Total assets less current liabilities		1,163,416	785,812
Capital and reserves			
Called up share capital	7	20	20
Other reserves	8	5,568,856	3,829,856
Profit and loss account	8	(4,405,460)	(3,044,064)
Equity shareholders' funds	9	1,163,416	785,812

The financial statements on pages 4 to 9 were approved by the board of directors and were signed on its behalf by:



R I Cottee
Director

25 January 2002

Wainstones Power Limited

Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable Accounting Standards.

Development costs

Expenditure incurred during the development period of the power station is written off to the profit and loss account unless there is reasonable certainty that the project will generate future net revenues in excess of such development costs.

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.

Cash flow statement

The company qualifies as a small company under the terms of Section 246 of the Companies Act 1985 and is therefore exempt from the requirement to prepare a cash flow statement.

Wainstones Power Limited

Notes to the financial statements for the year ended 31 December 2000

1 Operating loss

	2000	1999
	£	£
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The operating loss is stated after charging:		
Auditors' remuneration - audit fees	5,000	5,500
<hr/>		

2 Interest and similar items

	2000	1999
	£	£
<hr/>		
Interest receivable	15,171	43,524
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3 Directors and employees

Under a consultancy agreement between NR Generating International BV, a fellow group company, Carlton Power and Messrs K Clarke and G Stapleton, Carlton Power agreed to provide the services of Messrs K Clarke and G Stapleton as directors of the company until 31 December 2001. Fees of £300,000 (1999 £300,000) were payable under the contract during the year, together with disbursements of £99,173 (1999 £92,669).

No other remuneration was paid to any of the directors in the year.

The company has no employees. Staff are employed by Carlton Power, with appropriate recharges made to the company.

4 Taxation

	2000	1999
	£	£
<hr/>		
UK corporation tax at 30%	4,552	13,166
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Unutilised pre-trading expenses of £3,953,000 (1999 £3,074,000) are being carried forward to be offset against future profits, subject to approval by the Inland Revenue.

Wainstones Power Limited

5 Debtors

	2000	1999
	£	£
Other taxes	33,478	144,860
Prepayments and accrued income	1,100,894	2,894
	1,134,372	147,754

6 Creditors – Amounts falling due within one year

	2000	1999
	£	£
Trade creditors	1,581	152,555
Amounts due to group undertakings	51,500	-
Accruals and deferred income	64,000	201,790
Corporation tax	17,718	13,166
	134,799	367,511

7 Called up share capital

	2000	1999
	£	£
Authorised		
100 ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
20 ordinary shares of £1 each	20	20

The company was incorporated with a called up share capital of £20 on 10 September 1997.

Wainstones Power Limited

8 Reserves

	Profit and loss	Other
	£	£
At 1 January 2000	(3,044,064)	3,829,856
Loss for the year	(1,361,396)	-
Capital contribution received	-	1,739,000
At 31 December 2000	(4,405,460)	5,568,856

Other reserves consist of capital contributions received from the company's immediate parent undertaking, NR Generating Holdings (No 11) B.V.

9 Reconciliation of movements in shareholders' funds

	2000	1999
	£	£
Opening shareholders' funds	785,812	(28,310)
Loss for the year	(1,361,396)	(2,234,606)
Capital contribution received	1,739,000	3,048,728
Closing shareholders' funds	1,163,416	785,812

10 Parent undertakings

The company's immediate parent undertaking is NR Generating Holdings (No 11) B.V., a company incorporated in the Netherlands. The ultimate parent undertaking and controlling party is Xcel Energy (formerly Northern States Power Company), a company incorporated in the United States of America. Copies of the financial statements of Xcel Energy may be obtained from the company's registered office at 414 Nicollet Mall, Minneapolis, MN 55401.

NRG Energy Inc, an intermediate parent company, has undertaken to provide financial support in order that the company can meet its obligations as they fall due.

The company has taken advantage of the exemption available to a 90% subsidiary not to disclose related party transactions undertaken with other members of the Northern States Power group of companies.