



ARTHURANDERSEN

**24 Seven Utility Services Ltd. (formerly Oak (Networks
O&M) Limited, formerly Alnery No.1917 Limited) and
subsidiary undertaking**

Accounts for the period from incorporation on 3 November 1999
to 31 December 2000 together with directors' and auditors'
reports

Registered number: 3870728



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COMPANIES HOUSE

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Directors' report

For the period from incorporation on 3 November 1999 to 31 December 2000

The directors present their report on the affairs of the group, together with the accounts and auditors' report, for the period ended 31 December 2000.

Principal activities

The company was incorporated on 3 November 1999 as Alnery No. 1917 Limited. It changed its name to Oak (Networks O&M) Limited on 14 December 1999. It changed its name to 24 Seven Utility Services Ltd. on 17 March 2000.

The company was dormant from incorporation to the commencement of trade on 7 April 2000.

The company was set up as a Joint Venture between the TXU Europe group and the London Electricity group, the purpose being to outsource the operations and maintenance of their distribution network systems.

The principal activity of 24 Seven Utility Services Ltd. is utility infrastructure management.

Results

The group's turnover for the period amounted to £233,652,141 and consolidated profit before taxation was £14,337,917.

The Directors expect the general level of activity to increase during 2001.

Dividends

The directors recommend the payment of dividends to shareholders on the register on 31 December 2000 of the following amounts:

Class of share	Recommended dividend
H Ordinary	86.89p per share
I Ordinary	86.89p per share
H Preference	£56,250 per share
I Preference	£18,750 per share

Directors' report (continued)

Directors and their interests

The directors of the company who served during the period were as follows:

Alnery Incorporations (No. 1) Limited	Appointed	3 November 1999 (resigned 10 December 1999)
Alnery Incorporations (No. 2) Limited	Appointed	3 November 1999 (resigned 10 December 1999)
Philip George Turberville	Appointed	10 December 1999
Paul Colin Marsh	Appointed	10 December 1999 (resigned 14 December 1999, reappointed 7 April 2000)
Bruno Jean Lescoeur	Appointed	14 December 1999
Homer Jarrell Gibbs	Appointed	14 December 1999
David George Jefferies	Appointed	14 December 1999
Ian Roger Beament	Appointed	14 December 1999
Gerald Langdon Wingrove	Appointed	7 April 2000

No director has any interests required to be disclosed under Schedule 7 of the Companies Act 1985.

Responsibilities of directors

Company law requires the directors to prepare accounts for each financial period 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 period. 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 of the 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 company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' report (continued)

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Employee consultation

The group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the group. This is achieved through formal and informal meetings and the company magazine. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Supplier payment terms

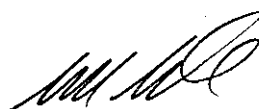
The company's policy is to settle the terms of payment with suppliers when agreeing the terms of each transaction, to ensure that suppliers are made aware of the terms of payment and to abide by the terms of payment.

Auditors

Arthur Andersen were appointed during the period. The directors will place a resolution before the annual general meeting to reappoint Arthur Andersen as auditors for the ensuing year.

Spilsby Road
Harold Hill
Romford
RM3 8UB

By order of the Board



Mark William Bullock
Company Secretary

31 January 2001

To the Shareholders of 24 Seven Utility Services Ltd.:

We have audited the accounts on pages 5 to 21 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 to 11.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board, and by our profession's ethical guidance.

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 circumstances of the company and of the group, 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 at 31 December 2000 and of the group's profit and cash flows for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen

Chartered Accountants and Registered Auditors

1 Surrey Street
London
WC2R 2PS

31 January 2001

Consolidated profit and loss account

For the period from incorporation on 3 November 1999 to 31 December 2000

	Notes	Period ended 31 December 2000 £
Turnover	2	233,652,141
Cost of sales		(188,882,184)
Gross profit		44,769,957
Other operating expenses (net)		(32,318,212)
Operating profit		12,451,745
Interest income (net)	3	1,886,172
Profit on ordinary activities before taxation	4	14,337,917
Tax on profit on ordinary activities	6	(5,100,000)
Profit on ordinary activities after taxation		9,237,917
Dividends proposed on equity and non-equity shares	7	(9,237,917)
Retained profit for the period	15	-

There are no recognised gains or losses for this period other than those shown in the profit and loss account.

All the group's activities were derived from continuing operations in the period.

The accompanying notes are an integral part of this profit and loss account.

Consolidated balance sheet

As at 31 December 2000

	Notes	2000 £
Fixed assets		
Tangible assets	8	<u>19,251,087</u>
Current assets		
Stocks	10	9,848,400
Debtors:		
- due within one year	11	130,675,233
- due after one year	11	21,322,924
Cash at bank and in hand		<u>3,575,597</u>
		<u>165,422,154</u>
Creditors: Amounts falling due within one year	12	<u>(152,500,255)</u>
Net current assets		<u>12,921,899</u>
Total assets less current liabilities		<u>32,172,986</u>
Provisions for liabilities and charges	13	<u>(2,172,784)</u>
Net assets		<u>30,000,202</u>
Capital and reserves		
Called-up share capital	14	2,000,202
Share premium	15	28,000,000
Profit and loss account	15	<u>-</u>
Total shareholders' funds	16	<u>30,000,202</u>
Shareholders' funds may be analysed as :		
Equity interests		30,000,002
Non-equity interests		<u>200</u>
		<u>30,000,202</u>

Signed on behalf of the Board

Gerald Langdon Wingrove

G. L. Wingrove
Director

31 January 2001

The accompanying notes are an integral part of this consolidated balance sheet.

Company balance sheet

As at 31 December 2000

	Notes	2000 £
Fixed assets		
Tangible assets	8	18,676,244
Investments	9	2
		<u>18,676,246</u>
Current assets		
Stocks	10	3,035,616
Debtors		
- due within one year	11	135,814,049
- due after one year	11	21,322,924
Cash at bank and in hand		3,228,866
		<u>163,401,455</u>
Creditors: Amounts falling due within one year	12	<u>(147,029,970)</u>
Net current assets		<u>16,371,485</u>
Total assets less current liabilities		<u>35,047,731</u>
Provisions for liabilities and charges	13	<u>(2,172,784)</u>
Net assets		<u>32,874,947</u>
Capital and reserves		
Called-up share capital	14	2,000,202
Share premium	15	28,000,000
Profit and loss account	15	2,874,745
Total shareholders' funds		<u>32,874,947</u>
Shareholders' funds may be analysed as:		
Equity interests		32,874,747
Non-equity interests		200
		<u>32,874,947</u>

Signed on behalf of the Board

G.L. Wingrove
Director

Gerald Langdon Wingrove

31 January 2001

The accompanying notes are an integral part of this company only balance sheet.

Consolidated cash flow statement

For the period from incorporation on 3 November 1999 to 31 December 2000

	Notes	2000 £
Net cash inflow from operating activities	17	3,893,026
Returns on investments and servicing of finance		
- interest received		2,072,030
- interest paid		(185,858)
Net cash inflow from returns on investments and servicing of finance		1,886,172
Taxation		
- UK corporation tax paid		(1,500,000)
Net cash outflow from taxation		(1,500,000)
Capital expenditure and financial investment		
- purchase of tangible fixed assets		(703,799)
Net cash outflow from capital expenditure and financial investment		(703,799)
Acquisitions and disposals		
- purchase of subsidiary undertaking		(2)
Net cash outflow from acquisitions and disposals		(2)
Cash inflow before financing		3,575,397
Financing		
- issue of preference share capital		200
Net cash inflow from financing		200
Increase in cash in the period	18	3,575,597

The accompanying notes are an integral part of this consolidated cash flow statement.

Notes to accounts

For the period from incorporation on 3 November 1999 to 31 December 2000

1 Accounting policies

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

a) Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards. The company was incorporated on 3 November 1999 and accordingly the accounts cover the period from incorporation to 31 December 2000.

b) Basis of consolidation

The group accounts consolidate the accounts of 24 Seven Utility Services Ltd. and its subsidiary undertaking up to 31 December 2000. Unless otherwise stated, the acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the period are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

In the company's accounts, investments in subsidiary undertakings are shown at cost less provision for impairment. Dividends received and receivable are credited to the company's profit and loss account.

No profit and loss account is presented for 24 Seven Utility Services Ltd. as permitted by section 230 of the Companies Act 1985. The company's result for the financial period, determined in accordance with the Act, was a profit after tax of £12,112,660.

c) Tangible fixed assets

Tangible fixed assets are shown at historical cost less accumulated depreciation.

Depreciation is provided 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:

Plant and machinery	5 Years
Office equipment, fixtures and fittings	5 Years
Computer equipment	5 Years

Assets are depreciated from the first full month after purchase or construction.

Assets acquired from members of the shareholders' groups on the first day of trading are being depreciated over their remaining useful lives of 2½ years.

1 Accounting policies (continued)

d) Stocks

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost represents direct materials and labour and production overheads. Net realisable value is based on estimated selling price less all further costs to completion and all relevant selling and distribution costs.

e) Long and short term contracts

Amounts recoverable on long-term contracts, which are included in debtors, are stated at the net sales value of the work done less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account. Cumulative costs incurred net of amounts transferred to cost of sales, less provision for contingencies and anticipated future losses on contracts, are included as long-term contract balances in stock.

f) Taxation

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

The taxation liabilities of certain group companies are reduced wholly or in part by the surrender of losses by fellow group companies for nil consideration.

Deferred taxation (which arises from differences in the timing of recognition of items, principally depreciation, in the financial statements and by the tax authorities) has been calculated on the liability method. Deferred taxation is provided in respect of timing differences which will probably reverse at the rates of tax likely to be in force at the time of the reversal. Deferred tax is not provided on timing differences which, in the opinion of the directors, will probably not reverse. The group does not recognise deferred tax assets.

g) Pension costs

For defined benefit schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The regular cost is calculated so that it represents a substantially level percentage of current and future payroll. Variations from regular cost are charged or credited to the profit and loss account as a constant percentage of payroll over the estimated average remaining working life of scheme members. Defined benefit schemes are funded, with the assets of the scheme held separately from those of the group in separate trustee administered funds. Differences between amounts charged to the profit and loss account and amounts funded are shown as either provisions or prepayments in the balance sheet.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

1 Accounting policies (continued)

h) Foreign currency

Transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the period end are translated at the rate of exchange prevailing at the period end. 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.

i) Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

j) Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales-related taxes.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of the total contract value which costs incurred to date bear to total expected costs for that contract.

2 Turnover and segmental analysis

All of the group's turnover in the period was generated within the United Kingdom. It is the opinion of the directors that the group's activities are confined to a single class of business, as described in the directors' report.

3 Interest income (net)

	2000 £
Investment income:	
Bank interest	2,072,030
Interest payable and similar charges:	
Interest payable	(185,858)
Interest income (net)	1,886,172

4 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2000 £
Depreciation	7,409,712
Auditors' remuneration	
- audit services	40,000
- non-audit services	15,000
Operating lease rentals	9,230,108

5 Staff costs

Particulars of employees (including executive directors) are as shown below:

	2000 £
Employee costs during the period amount to:	
Wages and salaries	61,570,012
Social security costs	4,335,740
Pension costs	4,753,601
	<u>70,659,353</u>

The average monthly number of employees (including executive directors) was:

	2000 Number
Administration	1,014
Operations	1,521
	<u>2,535</u>

Directors' remuneration

The remuneration of the directors was as follows:

	2000 £
Emoluments	<u>52,500</u>

The services of Messrs Lescoeur, Beament and Wingrove are provided by London Electricity Group Plc and the services of Messrs Gibbs, Turberville and Marsh are provided by TXU Europe Group Plc. No part of their remuneration is attributed to their services to the 24 Seven Utility Services Ltd. group.

6 Tax on profit on ordinary activities

The taxation charge is based on the profit for the period and comprises:

	2000 £
- Corporation tax at 30%	<u>5,100,000</u>

7 Dividends proposed on equity and non-equity shares2000
£*Equity shares*

- final proposed of 86.89p per H and I ordinary share	1,737,917
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Non-equity shares

- final proposed of £56,250 per H preference share	5,625,000
- final proposed of £18,750 per I preference share	1,875,000
	<u>9,237,917</u>

8 Tangible fixed assets

Group	Plant and machinery £	Office equipment, fixtures and fittings £	Computer equipment £	Total £
Cost				
At incorporation	-	-	-	-
Additions	14,139,523	100,000	12,421,276	26,660,799
At 31 December 2000	<u>14,139,523</u>	<u>100,000</u>	<u>12,421,276</u>	<u>26,660,799</u>
Depreciation				
At incorporation	-	-	-	-
Charge	(3,673,215)	(30,000)	(3,706,497)	(7,409,712)
At 31 December 2000	<u>(3,673,215)</u>	<u>(30,000)</u>	<u>(3,706,497)</u>	<u>(7,409,712)</u>
Net book value				
At incorporation	-	-	-	-
At 31 December 2000	<u>10,466,308</u>	<u>70,000</u>	<u>8,714,779</u>	<u>19,251,087</u>

8 Tangible fixed assets

Company	Plant and machinery £	Computer equipment £	Total £
Cost			
At incorporation	-	-	-
Additions	13,705,523	12,134,076	25,839,599
At 31 December 2000	<u>13,705,523</u>	<u>12,134,076</u>	<u>25,839,599</u>
Depreciation			
At incorporation	-	-	-
Charge	(3,543,015)	(3,620,340)	(7,163,355)
At 31 December 2000	<u>(3,543,015)</u>	<u>(3,620,340)</u>	<u>(7,163,355)</u>
Net book value			
At incorporation	-	-	-
At 31 December 2000	<u>10,162,508</u>	<u>8,513,736</u>	<u>18,676,244</u>

9 Fixed asset investments*a) Principal group investments*

The parent company holds an investment in the following subsidiary:

	Country of registration	Principal activity	Proportion of ordinary share capital held by the company
24 Seven Contract Services Ltd.	England	Maintenance of Utility Infrastructure	100%

b) Investments in subsidiary undertaking

	2000 £
At incorporation	-
Investment in subsidiary undertaking	2
At 31 December 2000	<u>2</u>

The subsidiary was acquired on 7 April 2000. The consideration was satisfied by cash with no fair value or goodwill adjustments arising. The subsidiary was dormant prior to its acquisition.

10 Stocks

	Group 2000 £	Company 2000 £
Raw materials and consumables	3,035,616	3,035,616
Work in progress	6,812,784	-
	<u>9,848,400</u>	<u>3,035,616</u>

The replacement cost of raw materials and consumables held by the group at 31 December 2000 was not materially different to the amount at which they are stated in the accounts.

11 Debtors

	Group 2000 £	Company 2000 £
Amounts due within one year		
Trade debtors	130,081,214	128,635,102
Amounts due from subsidiary undertaking	-	6,640,952
Other debtors	117,323	61,299
Prepayments	476,696	476,696
	<u>130,675,233</u>	<u>135,814,049</u>
Amounts due after more than one year		
Other debtors (see note 21)	21,322,924	21,322,924
	<u>151,998,157</u>	<u>157,136,973</u>

Amounts due from subsidiary undertakings have no fixed date of repayment, and no interest has been charged on these amounts.

12 Creditors: Amounts falling due within one year

	Group 2000 £	Company 2000 £
Payments received on account	3,068,000	-
Trade creditors	25,328,752	25,175,297
Taxation and social security	16,012,653	15,946,204
Other creditors	30,783,246	30,783,246
Accruals and deferred income	68,069,687	65,997,000
Proposed dividends	9,237,917	9,237,917
	<u>152,500,255</u>	<u>147,029,970</u>

13 Provisions for liabilities and charges

Claims
£

Group and company

At incorporation

Charged to profit and loss account

2,172,784

At 31 December 2000

2,172,784

14 Share capital

Company
2000
£

Authorised

25,000,000 H ordinary shares of £1 each

25,000,000

25,000,000 I ordinary shares of £1 each

25,000,000

100 H preference shares of £1 each

100

100 I preference shares of £1 each

100

50,000,200

Allotted, called-up and fully paid

1,000,001 H ordinary shares of £1 each

1,000,001

1,000,001 I ordinary shares of £1 each

1,000,001

100 H preference shares of £1 each

100

100 I preference shares of £1 each

100

2,000,202

All shares were allotted during the period to establish the company and help fund its operations.

The company issued 2 ordinary shares at par value on incorporation.

The company also issued 2,000,000 ordinary shares at a nominal value of £2,000,000 and premium of £28,000,000 on 7 April 2000 in return for the acquisition of fixed assets and stock from the shareholder groups. 200 preference shares were issued on 7 April 2000 at a nominal value of £200 at par value in return for cash.

14 Share capital (continued)

The preference shares carry an entitlement to a cumulative preferential dividend of the following amounts:

H preference shares	75% of the profit and after tax every financial year*
I preference shares	25% of the profit after tax every financial year*

* In this calculation profit after tax is limited to £10 million and has been reduced in the current period on a pro rata basis to reflect the nine months of trading.

The company has the right to redeem the preference shares at any time for the sum of £1 each.

Holders of the redeemable preference shares have the right on a winding-up to receive, in priority to any other classes of shares, the payment in full of the preference share capital together with any arrears of dividend. They have no voting rights and are classified as non-equity interests.

15 Reserves

	Reserves		
	Share Premium account £	Profit and loss account £	Total £
Group			
Premium on issue of ordinary shares	28,000,000	-	28,000,000
Retained profit for the period	-	-	-
At 31 December 2000	<u>28,000,000</u>	<u>-</u>	<u>28,000,000</u>
Company			
Premium on issue of ordinary shares	28,000,000	-	28,000,000
Retained profit for the period	-	2,874,745	2,874,745
At 31 December 2000	<u>28,000,000</u>	<u>2,874,745</u>	<u>30,874,745</u>

16 Reconciliation of movements in group shareholders' funds

	2000 £
Profit for the financial period	9,237,917
Dividends proposed on equity and non-equity shares	(9,237,917)
Issue of ordinary shares	30,000,000
Issue of preference shares	200
Net addition to shareholders' funds since incorporation	<u>30,000,200</u>
Opening shareholders' funds at incorporation	<u>2</u>
Closing shareholders' funds	<u>30,000,202</u>

17 Reconciliation of group operating profit to operating cash flows

	2000 £
Operating profit	12,451,745
Depreciation charges	7,409,712
Increase in stocks	(5,805,400)
Increase in debtors	(151,998,157)
Increase in creditors	139,662,342
Increase in provisions	2,172,784
Net cash inflow from operating activities	<u>3,893,026</u>

18 Analysis and reconciliation of net cash

	At incorporation £	Cash flow £	31 December 2000 £
Cash at bank and in hand	<u>-</u>	<u>3,575,597</u>	<u>3,575,597</u>
Net cash	<u>-</u>	<u>3,575,597</u>	<u>3,575,597</u>

19 Financial commitments

Capital commitments are as follows:

	Group and Company 2000 £
Contracted for but not provided for	<u>5,586,812</u>

The group and company are committed under operating leases to make the following minimum annual payments:

	2000		
	Land and buildings £	Other £	Total £
Group			
Expiry date			
- within one year	158,320	262,275	420,595
- between two and five years	151,500	1,056,057	1,207,557
- after five years	3,348,610	5,112,016	8,460,626
	<u>3,658,430</u>	<u>6,430,348</u>	<u>10,088,778</u>
Company			
Expiry date			
- within one year	158,320	-	158,300
- between two and five years	151,500	-	151,500
- after five years	3,348,610	4,977,834	8,326,444
	<u>3,658,430</u>	<u>4,977,834</u>	<u>8,636,244</u>

Leases of land and buildings are typically subject to rent reviews at specified intervals and provide for the lessee to pay all insurance, maintenance and repair costs.

20 Pension arrangements

Employees of the company participate in two pension schemes. 39 employees participate in a defined contribution arrangement, a Group Personal Pension Plan (GPPP) set up by the company. 2,303 employees are members of funded defined benefit arrangements, namely the TXU or London Electricity groups of the industry-wide Electricity Supply Pension Scheme (ESPS).

The employer's pension cost in relation to the 24Seven GPPP amounted to £4,538.

20 Pension arrangements (continued)

Under the terms of the continuing participation in the ESPS agreed with TXU and London Electricity, the contribution rates, set at 12%, required from the company are equal to the regular cost and currently take no account of any deficit or surplus. Since the company is not currently exposed to the fluctuations in the financial position of these pension arrangements, the pension cost currently equals the employer's contributions paid, which amounts to £4,753,601. This arrangement may be reviewed if the shareholders decide to allocate the company its own group within the ESPS. Details of the most recent actuarial valuations of the principal schemes, which were conducted as at 31 March 1998 using the projected unit method, are as follows:

	London Electricity group	TXU group
<u>Main assumptions (% pa) :</u>		
Investment return	8.75	8.5
General salary increases	6.5	5.0
Pension increases	4.5	4.5
<u>Results:</u>		
Market value of scheme's assets (£ million)	1,069.2	1,059.0
Level of funding (%)	110.0	108.5

21 Related party transactions

During the period the group made the following related party transactions:

	With London Electricity £	With TXU £
Profit and loss account:		
Sales	74,994,439	111,708,186
Cost of sales	5,081,244	-
Other operating expenses	8,760,178	17,288,291
Balance sheet:		
Debtors	44,016,431	77,689,116
Cost of change (included in the debtors balance above)	12,498,807	12,498,807

Costs of change relate to costs paid for by the company, which will be recovered from the customers over a five year period.

The group acquired £15 million of fixed assets and stock from each of the shareholders in return for the issue of ordinary shares.

22 Controlling parties

The company is a 50:50 Joint Venture between the TXU Europe group and the London Electricity group.