

IPOWER LIMITED

Company No: 3971514

DIRECTORS' REPORT AND ACCOUNTS

For the year ended 31 December 2002



IPOWER LIMITED

DIRECTORS' REPORT

The Directors present their report and unaudited accounts for the year ended 31 December 2002.

1. PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company did not trade during the year ended 31 December 2002 and was classified as dormant.

2. DIRECTORS

Mr A S J Ramsay

The sole Director did not have any interest in the share capital of the Company during the period.

The interests of the sole Director in the shares of International Power plc, the Company's ultimate holding company, at 1 January 2002 and 31 December 2002 were as follows :

	Ordinary Shares of 50p each		Options to subscribe for shares	
	31.12.2002	01.01.2002	31.12.2002	01.01.2002
Mr A S J Ramsay	7,711	466	121,080	73,544

As at 31 December 2002, 1,917,414 International Power plc Ordinary shares were held in trust for the benefit of current and former employees of International Power plc and its subsidiary companies. As the Directors of the Company (together with all other employees of International Power and its subsidiaries) are potential beneficiaries of the shares held in trust they are therefore regarded as having an interest in the whole of these shares. Details of the International Power employee share plans for which these shares may be utilised are disclosed in the International Power plc Report and Accounts for the year ended 31 December 2002.

On 24 May 2002, the following Conditional Awards was made to the sole Director under the Rules of the International Power 2002 Performance Share Plan:

	No. of shares under award as at 1 January 2002	Conditional awards made during the year	Date of award	Market value of an Ordinary Share as at date of award	End of performance period	No. of shares under award as at 31 December 2002
A S J Ramsay	-	34,438	24.05.2002	196.00p	31.12.2004	34,438

3. SHARE CAPITAL

The Company was incorporated on 13 April 2000 with an authorised share capital of 100 Ordinary Shares of £1 each of which one share has been issued.

IPOWER LIMITED

4. AUDITORS

For the year ended 31 December 2002 the Company was entitled to exemption under section 249aa(1) of the Companies Act 1985. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249b(2).

By Order of the Board



I M Irvine
Company Secretary
14 October 2003

IPOWER LIMITED

DIRECTORS' RESPONSIBILITIES

In respect of the preparation of the accounts Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss 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;
- prepare the accounts 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 accounts comply with the Companies Acts 1985. They have a general responsibility for taking such steps as are reasonably open to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

IPOWER LIMITED

BALANCE SHEET

	Note	As at 31.12.2002 £	As at 01.01.2002 £
Current Assets			
Amount due from holding company	3	1	1
Net assets employed		1	1
Called up share capital	4	1	1
Capital and reserves		1	1


The accounting policies and notes on page 4 form an integral part of these accounts.

For the year ended 31 December 2002 the Company was entitled to exemption under section 249aa(1) of the Companies Act 1985.

No members have required the Company to obtain an audit of its accounts for the year in question in accordance with section 249b(2).

The Director's acknowledge their responsibility for: (i) Ensuring the Company keeps accounting records which comply with 221; and (ii) Preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company.

The accounts were approved by the Board of Directors on 14 October 2003.


A S J Ramsay
 Director
 14 October 2003

IPOWER LIMITED

NOTES TO THE ACCOUNTS

1. Accounting Policies

Basis of preparation

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

Profit and Loss Account

The Company has not traded during the nine month period ended 31 December 2001 and consequently has made neither a profit nor a loss.

2. Directors' and Employees' Remuneration

The Directors received no remuneration during the year ended 31 December 2002 in respect of his services to the Company (year ended 31 December 2001: nil). No other persons were employed by the Company during the year ended 31 December 2002 (year ended 31 December 2001: nil).

3. Debtors

	31.12.2002 £	01.01. 2002 £
Due from parent undertaking	1	1

4. Share Capital

	31.12.2002 £	01.01.2002 £
<i>Authorised:</i>		
100 Ordinary Shares of £1 each	100	100
<i>Issued, allotted and fully paid:</i>		
1 Ordinary Share of £1 each	1	1

5. Ultimate Holding Company

The Company's ultimate holding company is International Power plc, a company incorporated and registered in England and Wales. Copies of the accounts of International Power plc may be obtained from the following address:

The Company Secretary, International Power plc
Senator House, 85 Queen Victoria Street, London, EC4V 4DP