

KILLINGHOLME POWER GROUP LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

25 November 2005



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KILLINGHOLME POWER GROUP LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the 35 week period ended 25 November 2005.

1. Principal activities

Prior to the sale of its operations by a subsidiary undertaking during the prior period, the company was a holding company to a group whose principal activity was the merchant generation and sale of electricity allied with the sale of gas. The principal activity of the company now and for the foreseeable future is to act as an investment holding company.

2. Review of business and future developments

The company changed its accounting reference date to 25 November, in line with the ultimate parent undertaking, therefore accounts have been prepared for the shortened period from 26th March 2005 to 25th November 2005.

During the prior period, a subsidiary undertaking, Killingholme Power Limited, entered into a contract to sell its electricity generation assets and its remaining gas contract. The sale resulted in the recognition of a gain on sale of the operations. Following the receipt of proceeds of the sale, Killingholme Power Limited settled all the external indebtedness of the group. As a result of the sale of the business the results of Killingholme Power Limited are disclosed under discontinued operations.

On 14 September 2005 Killingholme Power Group Limited issued 124,303,700 "A" shares of £0.01 each to Goldman Sachs Group Holdings (U.K.). This share issue enabled the company to buy back share options over the "B" shares.

The profit and loss account is shown on page 4.

The directors consider that the period end financial position of the company was satisfactory.

3. Directors

The directors of the company during the period, and as at the date of this report, together with dates of appointment or resignation where applicable, were:

Name	Appointed	Resigned
J. Mapplebeck		17 March 2006
D. MacMillan		17 March 2006
W.T. Gasson	14 September 2005	
D.W. McDonogh	14 September 2005	
S.B. Scobie	14 September 2005	

4. Dividends

The directors do not recommend the payment of an ordinary dividend in respect of the period (52 week period ended 25 March 2005:£nil)

KILLINGHOLME POWER GROUP LIMITED

REPORT OF THE DIRECTORS

5. Post balance sheet events

On 21 March 2006, the group allotted the following ordinary shares:

- Killingholme Generation Limited allotted 831,370,287 ordinary shares of £1 each to Scadbury II Assets Limited, a fellow group company, for a total consideration of £831,370,287.
- Killingholme Generation Limited allotted 600,000,000 ordinary shares of £1 each to Shire Funding Limited, a fellow group company, for a total consideration of £600,000,000.
- Killingholme Generation Limited allotted 220,899,375 ordinary shares of £1 each to Amagansett Funding Limited, a fellow group company, for a total consideration of £220,899,375.
- Killingholme Power Limited issued 78,490,823,619 ordinary shares of £0.02 each to Goldman Sachs Holdings (U.K.), a fellow group undertaking, for a total consideration of £1,698,467,604.

The purpose of these share issuances was to provide funding to Killingholme Power Limited to enable it to undertake further investment activity.

6. Charitable and political donations

The company made charitable donations of £nil (52 week period ended 25 March 2005:£2,089) during the financial year and no political donations.

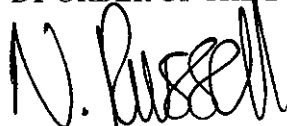
7. Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss for that period. In preparing the financial statements, appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made. The financial statements have been prepared on a going concern basis. The directors are responsible for keeping proper accounting records, and for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

8. Auditors

The company has passed Elective Resolutions in accordance with the Companies Act 1985 to dispense with the holding of annual general meetings, the laying of accounts and reports before general meetings and the annual reappointment of Auditors. PricewaterhouseCoopers LLP will, accordingly, continue in office as Auditors of the company pursuant to Section 386 of the Companies Act 1985.

BY ORDER OF THE BOARD



N RUSSELL
Secretary

KILLINGHOLME POWER GROUP LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Killingholme Power Group Limited for the year ended 25th November 2005 which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets, the Group Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland). 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 into 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 report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also 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 Directors' Report 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and 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 group's and the parent company's affairs as at 25th November 2005 and of the group's profit and cash flows 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 Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
29th September 2006

KILLINGHOLME POWER GROUP LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the 35 week period ended 25 November 2005

	Note	Discontinued operations 35 week period ended 25 November 2005 £'000	Discontinued operations 52 week period ended 25 March 2005 £'000
Turnover	2	-	35,863
Cost of sales		-	(32,423)
Gross profit		-	3,440
Distribution costs		-	(1,488)
Other operating items		-	88
Administrative income		5,295	15
OPERATING PROFIT	3	5,295	2,055
Profit on disposal of gas contract		-	11,395
Exceptional items	4	(1,426)	15,721
PROFIT BEFORE INTEREST AND TAXATION		3,869	29,171
Interest receivable	7	259	4,972
Interest payable	8	-	(897)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		4,128	33,246
Taxation	9	-	2,082
PROFIT FOR THE PERIOD		4,128	35,328

The operating profit of the group in the current period is derived from discontinued operations. The operations of Killingholme Power Limited were discontinued during July 2004 and have been disclosed as discontinued operations.

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

The group has no recognised gains and losses other than those included in the Profit for the period above and therefore no separate statement of total recognised gains and losses has been presented.

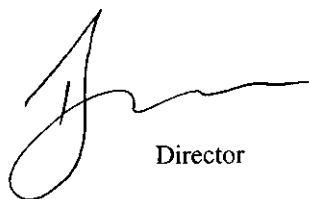
The notes on pages 7-16 form part of these financial statements.
Auditors' report – page 3.

KILLINGHOLME POWER GROUP LIMITED

BALANCE SHEET as at 25 November 2005

		Group 25 Nov 2005 £'000	Company 25 Nov 2005 £'000	Group 25 March 2005 £'000	Company 25 March 2005 £'000
FIXED ASSETS					
Investments	11	-	-	-	-
CURRENT ASSETS					
Investments	12	8,186	-	-	-
Debtors	13	352	761	1,714	-
Cash at bank and in hand		516	416	8,619	-
		9,054	1,177	10,333	-
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	(1,025)	(2,186)	(7,675)	(829)
NET CURRENT ASSETS/(LIABILITIES)		8,029	(1,009)	2,658	(829)
TOTAL ASSETS LESS CURRENT LIABILITIES		8,029	(1,009)	2,658	(829)
NET ASSETS/(LIABILITIES)		8,029	(1,009)	2,658	(829)
CAPITAL AND RESERVES					
Called up share capital	15	1,243	1,243	-	-
Profit and loss account	16	6,786	(2,252)	2,658	(829)
TOTAL SHAREHOLDERS' FUNDS/(DEFICIT)	17	8,029	(1,009)	2,658	(829)

Approved by the Board of Directors on



Director

29 September 2006.

The notes on pages 7 to 16 form part of these financial statements.
Auditors' report – page 3.

KILLINGHOLME POWER GROUP LIMITED

CASHFLOW STATEMENT For the period ending 25 November 2005

	Note	25 Nov 2005 £'000	25 Nov 2005 £'000	25 March 2005 £'000	25 March 2005 £'000
Net cash Inflow/(outflow) from operating activities	18		281		(33,370)
Returns on investment and servicing of finance					
Interests received		259		4,972	
Interest paid		-		(897)	
Net cash inflow from returns on investments and servicing of finance			259		4,075
Taxation			(359)		(1,534)
Capital expenditure and financial investment					
Fixed assets disposals		-		146,379	
Purchase of current asset investments		(8,284)		-	
Net cash (Outflow)/inflow from capital expenditure and financial investment			(8,284)		146,379
Cash (Outflow)/inflow before use of liquid resources and financing			(8,103)		115,550
Financing					
Issue of "A" shares		1,243			
Repurchase of share "B" options		(1,243)			
Repay loans		-		(260,611)	
Net cash outflow from financing			-		(260,611)
Decrease in net cash			(8,103)		(145,061)

KILLINGHOLME POWER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 25 NOVEMBER 2005

1. ACCOUNTING POLICIES

- (a) **Accounting convention:** The financial statements have been prepared under the historical cost convention, the accounting policies set out below, in accordance with applicable Accounting Standards in the United Kingdom and pronouncements of the urgent issues task force.

No separate profit and loss account is presented for the company as permitted by Section 230 of the Companies Act 1985.

- (b) **Basis of consolidation:** the consolidated profit and loss account and the balance sheet include the financial statement of the company and its subsidiary undertakings up to 25 November 2005. Intra-group sales, profits and balances are eliminated on consolidation. The results of the subsidiary undertakings are consolidated from the date of acquisition.

Details of the principal subsidiary undertakings are shown in note 11 to the accounts.

- (c) **Going concern:** The company has net current liabilities of £1,009,000 at 25 November 2005 (net liabilities of £829,000 at 25 March 2005). The principal current liabilities of the company represent amounts due to group undertakings. The immediate parent company has committed to ensuring the provision of sufficient funds to enable the company to meet its liabilities as they fall due. As a result, the directors have prepared these accounts on a going concern basis.
- (d) **Foreign exchange:** Transactions denominated in foreign currencies are translated into sterling at rates of exchange ruling on the date the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Gains and losses on exchange are recognised in operating loss.
- (e) **Derivative instruments:** The company uses interest rate swaps to hedge its exposure to fluctuations in interest rates. Amounts payable or receivable in respect of interest rate derivatives are recognised on an accruals basis over the life of the instrument. Interest rate swaps are not revalued to fair value, or shown on the balance sheet at the year end.
- (f) **Turnover:** Turnover comprises sales of electricity generated by the group to the trading market in England and Wales and sales of gas.
- (g) **Tangible fixed assets:** Tangible fixed assets are stated at costs less accumulated depreciation and impairment provision. Assets in the course of construction are included in tangible fixed assets on the basis of the expenditure incurred at the balance sheet date.

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:

Non-operating buildings	-30 years
Original generation plant	-30 years
Fixtures, fittings, tools and equipment	-5 years
Computer equipment and software	-3-5 years
Hot gas path turbine blades and vanes	-5 years

Freehold land is not depreciated.

KILLINGHOLME POWER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 25 NOVEMBER 2005

- (h) **Taxation:** Full provision is made for deferred taxation in respect of all differences in timing between the accounting and tax treatment of income and expenses. The timing differences are recognised as deferred tax liabilities or assets, measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on rates and laws that have been enacted or substantially enacted by the balance sheet date. An asset is not recognised if the transfer of economic benefits in the future is uncertain. Deferred tax assets and liabilities are not discounted.

2. ANALYSIS OF TURNOVER AND LOSS BEFORE TAXATION

All turnover relates to the principal activity of the group within the United Kingdom.

3. OPERATING PROFIT

	35 week period ended 25 Nov 2005 £'000	52 week period ended 25 March 2005 £'000
Operating (loss)/profit is stated after charging:		
Depreciation – owned assets	-	1,857
Auditors' remuneration – Group audit fees and expenses	-	(1)
Auditors' remuneration – non audit fees – Group	23	230

4. EXCEPTIONAL ITEMS

	35 week period ended 25 Nov 2005 £'000	52 week period ended 25 March 2005 £'000
Directors liability insurance	164	-
Expense/(write back) of restructuring costs	-	(1,449)
Release of trading accruals	-	(1,062)
Profit on sale of operations	-	(7,210)
Debt service reserve recovery from parent company	-	(6,000)
Buy back of share options	1,243	-
Loss on fixed asset investments	19	-
	1,426	(15,721)

In June 2005 the Group company Sterling Luxembourg No.3 S.A.R.L was voluntarily liquidated, this resulted in a loss to the profit and loss account of £19,102.

On 14th September 2005 the company brought back ordinary "B" share options for £1,243,000 from directors resigning during the period. (see note 23.)

KILLINGHOLME POWER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 25 NOVEMBER 2005

5. *EMPLOYEE INFORMATION*

The average monthly number of persons (including executive directors) employed by the Group during the year was:

By activity	35 week period ended 25 Nov 2005 £'000	52 week period ended 25 March 2005 £'000
Operations	-	5
Maintenance	-	5
Business services	-	6
	-	<u>16</u>

By activity	Group Nov 2005 £'000	Group March 2005 £'000
Wages and salaries	-	13,026
Social security costs	-	1,648
Other pension costs	-	76
	-	<u>14,750</u>

6. *DIRECTORS' REMUNERATION, INTERESTS AND TRANSACTIONS*

	35 week period ended 25 Nov 2005 £'000	52 week period ended 25 March 2005 £'000
The remuneration of the directors, including benefits in kind, was as follows:		
As executives	222	5,189
	<u>222</u>	<u>5,189</u>
The emoluments of the highest paid director were as follows:		
Remuneration	111	1,410
	<u>111</u>	<u>1,410</u>

In accordance with the Companies Act 1985, directors' emoluments above represent the proportion of total emoluments paid or payable in respect of qualifying services only. Directors also receive emoluments for non-qualifying services which are not required to be disclosed. Three directors are members of the defined contribution and defined benefit pension schemes. Three directors have been granted shares in respect of a long term incentive scheme. One director has exercised options. Two directors have surrendered options in favour of cash.

KILLINGHOLME POWER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 25 NOVEMBER 2005

7. *INTEREST RECEIVABLE*

	35 week period ended 25 Nov 2005 £'000	52 week period ended 25 March 2005 £'000
Gilt interest	60	-
Bank Interest	199	4,972
	259	4,972

8. *INTEREST PAYABLE AND SIMILAR CHARGES*

	35 week period ended 25 Nov 2005 £'000	52 week period ended 25 March 2005 £'000
Bank loans	-	-
Interest rate swap fee	-	(685)
Amortisation of finance costs	-	-
Other	-	1,582
	-	897

9. *TAXATION*

(a) Analysis of credit in period:

	35 week period ended 25 Nov 2005 £'000	52 week period ended 25 March 2005 £'000
Corporation tax at 30%	-	(1,685)
Adjustment in respect of prior periods	-	(397)
Total current tax (see note 9(b))	-	(2,082)

KILLINGHOLME POWER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 25 NOVEMBER 2005

9. TAXATION (CONTINUED)

(b) Factors affecting tax credit for the period:

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

	35 week period ended 25 Nov 2005 £'000	52 week period ended 25 March 2005 £'000
Profit on ordinary activities before tax	4,128	33,246
Profit on ordinary activities multiplied by standard rate in the UK (30%)	1,238	9,973
Expenses disallowed for the purposes of the tax provision	487	1,575
Consolidation adjustment	(1,879)	(2,235)
Management expenses carried forward	458	-
Capital allowances in excess of accounting depreciation	-	(7,890)
Profit on disposal of fixed assets	-	(3,119)
Deduction for employee share acquisition	(373)	-
Tax losses not utilised	69	55
Adjustment in respect of prior period	-	(397)
Other timing differences	-	(44)
Current tax credit for the period	-	(2,082)

10. COMPANY RESULT FOR THE YEAR

As permitted by the Section 230 of the Companies Act 1985, the company's profit and loss account has not been included in these financial statements. The company made a loss of £1,422,638 (52 week period ended 25 March 2005: £829,000) during the period.

KILLINGHOLME POWER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 25 NOVEMBER 2005

11. FIXED ASSET INVESTMENTS

Fixed Asset investments comprise shares held in group undertakings:

	Investment in group undertakings £'000
Cost	
At 25 March 2005	-
Additions	-
At 25 November 2005	-

The subsidiaries over which the company exercises control at the period end are listed below.

Name of company	%	Number in issue	Class	Nominal
Killingholme Generation Limited (indirectly held)	100	10,001	Ordinary	£1
Killingholme Holdings Limited	100	2	Ordinary	£1
Killingholme Power Limited (indirectly held)	100	410,500,000	Preference	£0.90
Killingholme Power Limited (indirectly held)	100	72	"A" Ordinary	£1
Killingholme Power Limited (indirectly held)	100	26	"B" Ordinary	£1

The Group company Sterling Luxembourg No.3 S.A.R.L was voluntarily liquidated during the prior period.

In the opinion of the directors the value of the investment in subsidiary undertakings is not less than the aggregate amount at which it is stated in the balance sheet.

12. CURRENT ASSET INVESTMENTS

Current Asset investments comprise 7.75% Treasury securities.

	Current asset investments £'000
Cost	
At 25 March 2005	-
Additions	8,212
Amortisation of premium	(26)
Amortised cost as at 25 November 2005	8,186

13. DEBTORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	25 Nov 2005 £'000	25 March 2005 £'000
Trade debtors	-	1,655
Prepayments and accrued income	131	59
Other debtors	221	-
Total	352	1,714

KILLINGHOLME POWER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 25 NOVEMBER 2005

13. DEBTORS – AMOUNTS FALLING DUE WITHIN ONE (CONTINUED)

Company	25 Nov 2005 £'000	25 March 2005 £'000
Intercompany	761	-
	761	-

14. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

Group	25 Nov 2005 £'000	25 March 2005 £'000
Trade creditors	-	62
Corporation tax	10	6,634
Other tax and social security	599	607
Other creditors	-	75
Accruals and deferred income	416	297
Pension liability	-	-
	1,025	7,675

Company	25 Nov 2005 £'000	25 March 2005 £'000
Intercompany	1,771	814
Accruals and deferred income	415	15
	2,186	829

KILLINGHOLME POWER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 25 NOVEMBER 2005

15. CALLED UP SHARE CAPITAL

Company	25 Nov 2005		25 March 2005	
	No.	£'000	No.	£'000
Authorised				
Class A Ordinary shares of £0.01 each	124,312,450	1,243	8750	-
Class B Ordinary shares of £0.01 each	1250	-	1250	-
		1,243		-
Allotted, called up and fully paid				
Class A Ordinary shares of £0.01 each	124,312,437	1,243	8737	-
		1,243		-

On 29 July 2002, 1 ordinary share of £1 was issued at par on incorporation. On 31 January 2003, 38 further ordinary shares of £1 each were issued at par. All issued ordinary shares were sub divided and converted into "A" shares of £0.01 each, by written resolution on 26 March 2003.

On 14 September 2005, the company authorised and issued a further 124,303,700 "A" shares of £0.01 each.

"A" ordinary shares

The "A" ordinary shares shall confer on the holders one vote for every share held.

"B" ordinary shares

The "B" ordinary shares shall not confer on the holders the right to attend, speak or vote at any General Meeting of the company. In the event of a winding up, the holders of "B" ordinary shares shall be entitled to participate equally with the holders of the "A" ordinary shares in the residue, if any, of the surplus assets of the company. The "B" shares confer the same dividend rights as the "A" ordinary shares.

16. PROFIT AND LOSS ACCOUNT

	The Group Profit and Loss Account £'000	The Company Profit and Loss Account £'000
At 25 March 2005	2,658	(829)
Profit for the period	4,128	(1,423)
At 25 Nov 2005	6,786	(2,252)

KILLINGHOLME POWER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 25 NOVEMBER 2005

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group Nov 2005 £'000	Company Nov 2005 £'000	Group March 2005 £'000	Company March 2005 £'000
Profit/(loss) attributable to the shareholders	4,128	(1,423)	35,328	(829)
Share capital issue	1,243	1,243	-	-
Opening shareholders funds	2,658	(829)	(32,671)	-
Closing shareholders funds	8,029	(1,009)	2,658	(829)

18. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	25 Nov 2005 £'000	25 March 2005 £'000
Operating (loss)/profit	5,295	2,055
Depreciation charge	-	1,857
Loss on liquidation of subsidiary	(19)	-
Write back of directors liability insurance	(164)	-
Amortisation of premium	26	-
Decrease in stocks	-	3,595
Decrease in debtors	1,434	10,184
Decrease in creditors	(6,291)	(51,061)
Net cash inflow/(outflow) from operating activities	281	(33,370)

19. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	25 Nov 2005 £'000	25 March 2005 £'000
Decrease in cash	(8,103)	(145,061)
Cash outflow from decrease in debt	-	260,610
Movement in net debt in the year	(8,103)	115,549
Opening Net Debt	8,619	(106,930)
Closing Net Debt	516	8,619

KILLINGHOLME POWER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 25 NOVEMBER 2005

20. ANALYSIS OF NET DEBT

	As At 25 March 2005 £'000	Cash flows £'000	As At 25 Nov 2005 £'000
Cash at bank and in hands	8,619	(8,103)	516
Debt due after 1 year	-	-	-
Total	8,619	(8,103)	516

21. FINANCIAL COMMITMENTS AND CONTINGENCIES

The company had no financial commitments and contingencies outstanding at the period end.

22. POST BALANCE SHEET EVENTS

On 21 March 2006, the group allotted the following ordinary shares:

- Killingholme Generation Limited allotted 831,370,287 ordinary shares of £1 each to Scadbury II Assets Limited, a fellow group company, for a total consideration of £831,370,287.
- Killingholme Generation Limited allotted 600,000,000 ordinary shares of £1 each to Shire Funding Limited, a fellow group company, for a total consideration of £600,000,000.
- Killingholme Generation Limited allotted 220,899,375 ordinary shares of £1 each to Amagansett Funding Limited, a fellow group company, for a total consideration of £220,899,375.
- Killingholme Power Limited issued 78,490,823,619 ordinary shares of £0.02 each to Goldman Sachs Holdings (U.K.), a fellow group undertaking, for a total consideration of £1,698,467,604.

The purpose of these share issuances was to provide funding to Killingholme Power Limited to enable it to undertake further investment activity.

23. RELATED PARTY TRANSACTIONS

Under the terms of FRS8, "Related Party Disclosures", the company is exempt from disclosing transactions with companies 90% or more controlled within the same group, as the consolidated financial statements in which the company is included are publicly available. Please refer to note 4 for details of exceptional items with parties outside of the group.

24. ULTIMATE PARENT UNDERTAKING

As of 14 September 2005 the immediate parent undertaking is Goldman Sachs Group Holdings (U.K.), a company registered in England and Wales.

The ultimate parent undertaking is The Goldman Sachs Group, Inc., with its principal place of business at 85 Broad Street, New York, NY 10004, United States of America. This company is incorporated in the United States of America.