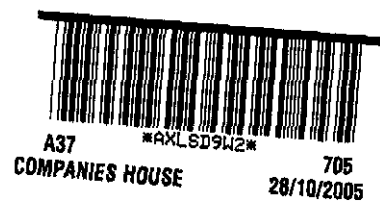


Lynn Offshore Wind Power Limited
(formerly AMEC Offshore Wind Power Limited)

Annual report
For the year ended 31 December 2004

Registered Number: 4155137



Lynn Offshore Wind Power Limited

Annual report for the year ended 31 December 2004

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Lynn Offshore Wind Power Limited

Directors' report for the year ended 31 December 2004

The directors present their report and the audited financial statements of Lynn Offshore Wind Limited ("the Company") for the year to 31 December 2004

Principal activities

The principal activity of the Company is the construction and operation of off shore wind farms.

Review of Business and Future Developments

The Company holds the licence to develop and operate a 180MW wind farm at Lynn. On 12 January 2004 the Company changed its name from AMEC Offshore Wind Power Limited, to Lynn Offshore Wind Power Limited

Results and dividends

The loss on ordinary activities after taxation for the period ended 31 December 2004 is £320,000 (2003: Loss of £230,000). The directors do not recommend the payment of a dividend.

Directors

The following served as directors during the year:

	Date of Appointment	Date of Resignation
S R Clark	27 April 2004	
M J Garstang	13 August 2004	
G Lane	23 December 2003	
A Bennett	28 April 2005	
S Sambhi	23 December 2003	28 April 2005

Directors' interests in shares

At no time did any Director holding office at 31 December 2004, have any interest in the shares of the Company (2003: Nil) or any other company within the Centrica plc Group except for the interests in, and the options over, the shares and interests of the ultimate parent company, Centrica plc.

On 25 October 2004, the ordinary share capital of Centrica plc was consolidated on the basis of 9 new ordinary shares of 6 ¹⁴/₈₁ pence per share for every 10 existing ordinary shares of 5 ⁵/₉ pence per share. Shares shown as 31 December 2003 are on a pre-consolidation basis and those shown at 31 December 2004 are shown on a post-consolidation basis.

The directors with interests in and options over the ordinary shares of Centrica plc at the year end are as follows

Beneficial interests in ordinary shares

	As at 31 December 2004	As at 31 December 2003*
S R Clark	18,128	13,847*
M J Garstang	-	246
G Lane	7,263	13,070
S Sambhi	-	-

The above figures include shares appropriated under the terms of the Centrica Share Incentive Plan.

Lynn Offshore Wind Power Limited

Directors' report for the year ended 31 December 2004 (continued)

Sharesave scheme

	As at 31 December 2004	Lapsed during the year	Exercised during the year	Granted during the year	As at 31 December 2003*
S R Clark	11,168	-	-	-	11,168*
M J Garstang	-	-	-	-	-
G Lane	5,294	-	-	-	5,294
S Sambhi	-	-	-	-	-

Executive Share Option scheme

	As at 31 December 2004	Exercised during the year	Granted during the year	As at 31 December 2003*
S R Clark	-	-	-	-
M J Garstang	-	-	-	-
G Lane	-	-	-	-
S Sambhi	297,828	-	89,340	208,488

Options over shares in Centrica plc were granted on 18th March 2004 at an option price of 223.95 pence per share.

Long term incentive scheme

	As at 31 December 2004	Lapsed during the year	Exercised during the year	Granted during the year	As at 31 December 2003*
S R Clark	70,078	2,316	16,071	-	88,465*
M J Garstang	94,377	5,123	15,369	-	114,869*
G Lane	93,985	5,001	22,069	21,697	99,358
S Sambhi	154,892	10,674	32,019	45,899	151,686

* At date of appointment

Total allocations as at 31 December 2004 shown above include both allocations of shares that are subject to performance conditions and allocations of shares that have reached the conclusion of the relevant three-year performance period but are subject to a two-year retention period.

A conditional allocation of shares was made under the terms of the scheme on 1 April at a price of 225.6 pence per share.

Lynn Offshore Wind Power Limited

Directors' report for the year ended 31 December 2004 (continued)

Options were granted under the terms of the ultimate parent company's Sharesave scheme, Executive Share Option scheme, and allocations made under the terms of the Long-term Incentive scheme. Details of these schemes and the Share Incentive Plan can be found in the 2004 accounts of Centrica plc, copies of which can be obtained from the Secretariat Department of Centrica plc or from www.centrica.com.

The middle market price of a Centrica plc ordinary share on the last day of trading of 2004 (31 December) was 236.25 pence. The range during the year was 256.25 pence (high) and 196.94 pence (low).

As at 31 December 2004, 6,370,264 shares (1 January 2004: 21,200,505) were held by the trustee of the employee share trust under the LTIS rules. The directors are deemed to have a potential interest in those shares, being beneficiaries under the trust.

There were no contracts of significance during or at the end of the financial year to which the Company or any subsidiary and associated undertakings is a party and in which any director is or was materially interested.

Related party transactions

The Company has taken advantage of the exemptions within Financial Reporting Standard No 8 "Related Party Disclosures" from disclosure of transactions with other Centrica group companies. There have been no other discloseable related party transactions during the year.

Creditor payment policy

The Company aims to pay all of its creditors (of which none were trade creditors) promptly within the agreed contract terms.

Political and charitable donations

The Company made no political or charitable donations during the year.

Directors' and officers' liability

Directors' and officers' liability insurance has been purchased by the ultimate parent company, Centrica plc and was in place throughout the year under review.

Auditors

In accordance with Section 386 of the Companies Act 1985, the Company has elected to dispense with the obligation to reappoint auditors annually, and PricewaterhouseCoopers LLP will therefore continue in office.

This report was approved by the Board 25 October 2005



Ian Ritchie
For and on behalf of
Centrica Secretaries Ltd
25 October 2005

Registered office:

Millstream
Maidenhead Road
Windsor
Berkshire
SL4 5GD

Lynn Offshore Wind Power Limited

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which 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.

In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make estimates that are reasonable and prudent;
- state whether applicable accounting policies have been followed; subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which 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.

The above statement should be read in conjunction with the statement of auditors responsibilities set out in the audit report on page 5.

Lynn Offshore Wind Power Limited

Independent Auditors' report to the Shareholder of Lynn Offshore Wind Power Limited

We have audited the financial statements which comprise, the profit & loss account, the balance sheet and the related notes and the accounting policies set out in the statement of accounting policies.

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 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 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.

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 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 opinions the financial statements give a true and fair view of the state of the Company's affairs at 31 December 2004, and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
London

PricewaterhouseCoopers LLP

25/10/05

Lynn Offshore Wind Power Limited

Profit and loss account for the Year ended 31 December 2004

		Year ended 31 December 2004 £'000	Year ended 31 December 2003 £'000
	Notes		
Administration expenses		(4)	(230)
Operating Profit/(loss)	3	(4)	(230)
Profit/(loss) on ordinary activities before taxation		(4)	(230)
Tax on Profit on ordinary activities	6	(316)	-
Retained loss for the year		(320)	(230)

The profit and loss account covers the year from 1st January 2004 to 31 December 2004.

The prior year figures have been reformatted to ensure consistent treatment of pre-trading costs across the Centrica group.

The Company has no recognised gains and losses other than the loss above and therefore no separate statement of total recognised gains and losses has been presented.

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

All activities relate to continuing operations.

The notes on pages 8 to 12 form part of these financial statements.

Lynn Offshore Wind Power Limited

Balance sheet as at 31 December 2004

	Note	31 December 2004 £'000	31 December 2003 £'000
Fixed Assets			
Tangible assets	7	4,213	-
Current assets			
Debtors	8	200	222
		200	222
Creditors – amounts falling due within one year	9	(4,647)	(452)
Net current liabilities		(4,447)	(230)
Total assets less current liabilities		(234)	(230)
Provisions for liabilities	10	(316)	-
Net liabilities		(550)	(230)
Capital and reserves			
Called-up share capital	11	-	-
Profit and loss account	12	(550)	(230)
Equity shareholder funds	13	(550)	(230)

The notes on pages 8 to 12 form part of these financial statements.

The financial statements on pages 6 to 7 were approved by the Board of Directors on 25 October 2005 and were signed on its behalf by:



Alan Bennett
Director

Lynn Offshore Wind Power Limited

Notes to the financial statements for the year ended 31 December 2004

1 Principal accounting policies

Accounting principles

The financial statements have been prepared under the historical cost convention and in accordance with the applicable Accounting Standards and the Companies Act 1985.

Tangible fixed assets

Tangible fixed assets are included in the balance sheet at cost, less accumulated depreciation. Capitalisation begins when expenditure for the asset is being incurred and activities that are necessary to prepare the asset for use are in progress. Capitalisation ceases when substantially all the activities necessary to prepare the asset for use are complete. Depreciation commences at the point of commercial deployment.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated, but not reversed, at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits in the foreseeable future from which the reversal of the underlying timing differences can be deducted. Deferred tax is not recognised when fixed assets are revalued unless, by the balance sheet date, there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Deferred tax is not recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is 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 tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

2 Cash Flow Statements and related party disclosures

The Company is a wholly-owned subsidiary of Centrica Renewable Energy Limited and is included in the consolidated financial statements of Centrica plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard No. 1 "Cash Flow Statements". The Company is also exempt under the terms Financial Reporting Standard No. 8 "Related Party Disclosures" from disclosure of transactions with other companies that are part of the Centrica plc group.

Lynn Offshore Wind Power Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

3 Operating profit

	2004 £'000	2003 £'000
Operating profit is stated after charging:		
Auditors' fees	6	-

4 Directors' emoluments

The directors received no emoluments during the year, as they were employed by other Centrica group companies. All of the directors who served during the period are members of the ultimate parent company's defined benefit pension scheme.

5 Employee information

The Company has no direct employees.

6 Tax on loss on ordinary activities

(a) Analysis of tax charge for the period

	2004 £'000	2003 £'000
The tax charge comprises :		
Corporation tax at 30%	-	-
Deferred tax		
- Origination and reversal of timing differences	(316)	-
Total tax on profit on ordinary activities	(316)	-

(b) Factors affecting the tax charge

	2004 £'000	2003 £'000
Loss on ordinary activities before tax	(4)	(230)
Tax on Loss on ordinary activities at standard UK corporation tax rate of 30%	(1)	(69)
Effects of:		
Expenses not deductible for tax purposes	7	-
Capital allowances in excess of depreciation	(316)	
Group relief for nil payment and UK:UK inter-company transfer pricing adjs.	310	69
Current tax charge for the period	-	-

Lynn Offshore Wind Power Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

7 Tangible Fixed Assets

	Plant & Machinery £'000	Total £'000
Cost or valuation		
At 1 January 2004	-	-
Additions	4,213	4,213
At 31 December 2004	4,213	4,213
Net book amount		
At 31 December 2004	4,213	4,213
At 1 January 2004	-	-

8 Debtors

	2004 £'000	2003 £'000
Debtors	200	222
	200	222

9 Creditors (amounts falling due within one year)

	2004 £'000	2003 £'000
Trade creditors	-	305
Amounts owed to group undertakings	4,647	-
Other creditors	-	147
	4,647	452

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

Lynn Offshore Wind Power Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

10 Deferred Taxation

	2004 £'000	2003 £'000
At beginning of period	-	-
Profit & Loss Account	316	-
At end of Period	316	-
Deferred tax assets/(liabilities) comprise		
Deferred corporation tax		
- Accelerated capital allowances	(316)	-
- Tax losses carried forward	-	-
- other timing differences	-	-
	(316)	-

11 Called-up share capital

	2004 £	2003 £
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
Allotted and fully paid		
1 Ordinary share of £1 each	1	1

12 Reserves

	Profit and loss account £'000
At 1 st January 2004	(230)
Retained loss for the year	(320)
At 31 December 2004	(550)

Lynn Offshore Wind Power Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

13 Reconciliation of movements in shareholder funds

	2004 £'000	2003 £'000
Loss for the year	(320)	(230)
Shareholder funds at the beginning of the year	(230)	-
Shareholder funds as at 31 December	(550)	(230)

14 Capital Commitments

The following capital commitments, for which no provision has been made, have been entered into by the Company at the end of the period:

	2004 £'000
Assets under construction	12

15 Going Concern Basis

The directors have considered the application of the going concern basis of accounting, and believe that for the foreseeable future the Company will have adequate resources to meet its liabilities as they fall due. In making this assessment the directors of the Company have considered the intention of the directors of Centrica plc. to provide financial support to the Company in the conduct of its ordinary business operations for a period of twelve months from the date of approval of these financial statements

16 Ultimate parent undertaking

The immediate parent undertaking is Centrica Renewable Energy Limited.

The ultimate parent undertaking and controlling party is Centrica plc, a company registered in England and Wales. Copies of Centrica plc consolidated financial statements can be obtained from the Company Secretary at Centrica plc, Millstream, Maidenhead Road, Windsor, Berkshire, SL4 5GD.