

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

Directors' report and accounts

31 December 2003

Registered number 4155137



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

Directors

S Clark
M Garstang
G Lane
S Sambhi

Secretary

Centrica Secretaries Limited

Registered Office

Millstream
Maidenhead Road
Windsor
Berkshire
SL4 5GD

Auditors

KPMG Audit plc
Chartered Accountants
St James' Square
Manchester
M2 6DS

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Directors' report

Business review

The company holds the licence to develop and operate a wind farm at Lynn. On 23 December 2003 the entire share capital of the company was sold to GB Gas Holdings Limited.

On 12 January 2004, the company changed its name from AMEC Offshore Wind Power Limited to Lynn Offshore Wind Power Limited.

Directors

The current directors are listed on page 1.

The directors who served during the year were as follows:

J P Chamberlain (resigned 23 December 2003)

D J Hodgkinson (resigned 23 December 2003)

J H J King (resigned 23 December 2003)

G Lane (appointed 23 December 2003)

S Sambhi (appointed 23 December 2003)

I J Wolstenholme (resigned 23 December 2003)

On 27 April 2004 Messrs S Clark and M Garstang were appointed as additional Directors.

Directors' Interests

At no time during the year ended 31 December 2003 did any director have any interest in the shares of the Company or any other company in the Centrica plc group, except for the interests in, and the options over, the shares and interests of the ultimate parent company, Centrica plc. Details of the interests for the directors were as follows:

Beneficial interests in ordinary shares

	As at date of appointment	As at 31 December 2003
G Lane	13,070	13,070
S Sambhi	-	-

The figures disclosed include shares appropriated under the terms of the Centrica Profit Sharing Scheme, and shares held under the terms of the Centrica Share Incentive Plan.

As at 31 December 2003, 21,200,505 shares (1 January 2003: 27,238,473) 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. 16,553,805 shares were held by the trustee as at the date of these accounts.

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Centrica Sharesave scheme

	As at date of Appointment	Options lapsed during the year	Options exercised during the year	Options granted during the year	As at 31 December 2003
G LANE	5,294	-	-	-	5,294
S SAMBHI	-	-	-	-	-

Options over shares in Centrica plc were granted in June 2003 at an option price of 107.1 pence.

Centrica Executive Share Option scheme

	As at date of appointment	Options exercised during the year	Options granted during the year	As at 31 December 2003
G LANE	-	-	-	-
S SAMBHI	208,488	-	-	208,488

Under the terms of the scheme a further grant of options was made on 24 March 2003 at an option price of 146.6 pence share.

Centrica Long Term Incentive scheme (i)

	As at date of appointment	Allocations lapsed during the year	Allocations transferred during the year	Allocations made during the year (ii)	As at 31 December 2003
G LANE	99,358	-	-	-	99,358
S SAMBHI	151,686	-	-	-	151,686

(i) Total allocations as at 31 December 2003 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.

(ii) A conditional allocation of shares was made under the terms of the scheme on 1 April 2003 at the base price of 179.4 pence per share.

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, the Share Incentive Plan and Profit Sharing scheme can be found in the 2003 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 2003 (31 December) was 211 pence. The range during the year was 212.75 pence (high) and 131.5 pence (low).

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

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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 group companies. There have been no other disclosable related party transactions during the year (2002: Nil).

Charitable and political donations

The Company made no charitable or political donations during the year (2002: Nil).

Directors' and officers' liability

Directors' and officers' liability insurance has been purchased by the ultimate parent company, Centrica plc.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution for the reappointment of KPMG Audit plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By Order of the board



I Ritchie
For and on behalf of
Centrica Secretaries Limited
SECRETARY

Registered Office
Millstream
Maidenhead Road
Windsor
Berkshire
SL4 5GD

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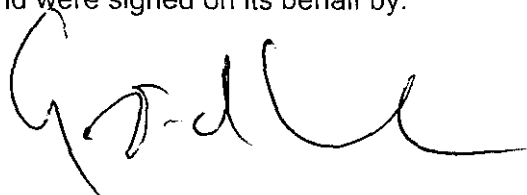
Profit and loss account
for the year ended 31 December 2003

	Note	2003 £	2002 £
Cost of sales		(230,372)	-
Loss on ordinary activities before taxation		(230,372)	-
Taxation on loss on ordinary activities	2	-	-
Retained loss for the year		<u>(230,372)</u>	<u>-</u>

Balance Sheet
as at 31 December 2003

	Note	2003 £	2002 £
CURRENT ASSETS			
Debtors	3	221,876	1
CREDITORS: amounts falling due within one year	4	(452,247)	-
		<u>(230,371)</u>	<u>1</u>
CAPITAL AND RESERVES			
Called up share capital	5,6	1	1
Profit and loss account	6	(230,372)	-
		<u>(230,371)</u>	<u>1</u>

These accounts were approved by the board of directors on
and were signed on its behalf by:



G LANE
DIRECTOR

The notes on pages 6 to 8 form part of these accounts.

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Notes to the accounts

1 ACCOUNTING POLICIES

Basis of the preparation of the accounts

The directors have taken advantage of the exemption in FRS 8 "Related party transactions", paragraph 3(c) and have not disclosed related party transactions with parent and fellow subsidiary undertakings.

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 1985.

Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard No. 1 to prepare a cash flow statement as it is entitled to the filing exemptions as a small company under Sections 246 and 249 of the Companies Act 1985 when filing accounts with the Registrar of Companies.

Going Concern

The accounts are prepared on a going concern basis on the grounds that the shareholders have confirmed to the directors that their present intention is to provide financial support to enable the company to continue its operations and to meet its financial obligations.

Stocks and work in progress

Stocks and work in progress, other than long-term contract work in progress, are stated at the lower of cost including attributable overheads and net realisable value.

Amounts recoverable on long term contracts are stated at cost plus attributable profits less provision for any known or anticipated losses and payments on account and are included in debtors. Payments received on account in excess of the value of the work done on each contract are included in creditors.

Taxation

The charge for taxation is based on the results for the year and takes into account taxation *deferred because of timing differences between the treatment of certain items for taxation and accounting purposes*.

Deferred tax is recognised, without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 "Deferred tax".

Turnover

Turnover represents sales and value of work done including transactions with other group undertakings.

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Notes to the accounts (continued)

2 TAXATION ON LOSS ON ORDINARY ACTIVITIES

	2003 £	2002 £
Current tax		
UK corporation tax at 30% (2002: 30%)	-	-

The current tax credit for the year is lower than the standard rate of corporation tax in the UK and is explained as follows:

	2003 £	2002 £
Loss on ordinary activities before taxation	230,372	-
Tax credit at 30% (2002: 30%)	69,112	-
Group relief not paid for	(69,112)	-
Current tax credit for the year	-	-

3 DEBTORS

	2003 £	2002 £
Amounts falling due in less than one year:		
Other debtors	221,875	-
Amounts falling due in more than one year:		
Other debtors	1	1
	<u>221,876</u>	<u>1</u>

4 CREDITORS: amounts falling due in less than one year

	2003 £	2002 £
Trade creditors	305,372	-
Other creditors	146,875	-
	<u>452,247</u>	<u>-</u>

5 SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	2003 number	2002 number	2003 £	2002 £
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1</u>	<u>1</u>

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Notes to the accounts (continued)

6 RESERVES

	Share Capital £	Profit and loss account £	Total £
As at 1 January 2003	1	-	1
Retained loss for the year	-	(230,372)	(230,372)
As at 31 December 2003	<u>1</u>	<u>(230,372)</u>	<u>(230,371)</u>

7 ULTIMATE PARENT COMPANY

The company's immediate parent company is Centrica Renewable Energy Limited which is incorporated in England and Wales. Centrica plc is the ultimate parent undertaking and the only group to consolidate the financial statements of the Company. Copies of the Annual Report of Centrica plc may be obtained from the Company Secretary, Centrica plc, Millstream, Maidenhead Road, Windsor, Berkshire, SL4 5GD.

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Statement of directors' responsibilities

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 maintaining 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 Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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Independent Auditor's report to the members of Lynn Offshore Wind Power Limited

We have audited the accounts on pages 5 to 8.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 9, 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.

We report to you our opinion as to whether the accounts 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 accounts, 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 with the company is not disclosed.

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 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 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 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 the company's affairs as at 31 December 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


KPMG Audit Plc
Chartered Accountants
Registered Auditor
17/1/05