

2 PROFIT OF THE PARENT COMPANY

The profit of the parent company for the financial year amounted to £21 million (2004: £84 million). By virtue of Section 230(4) of the Companies Act 1985, the Company is exempt from presenting a separate profit and loss account.

3 EMPLOYEES

The average number of persons employed by the Company (including Directors) during the year, analysed by category, was as follows:

	Year ended 31 December 2005 Number	Year ended 31 December 2004 Number
UK business	162	148
International business	34	20
	196	168

The aggregate payroll costs of these persons were as follows:

	Year ended 31 December 2005 £m	Year ended 31 December 2004 £m
Wages and salaries	21	14
Share-based payments	6	1
Social security costs	6	1
Other pension costs	4	4
	37	20

For details of the Company's share-based payments, refer to note 28 of the Group accounts.

4 PENSION ARRANGEMENTS

The valuation used for the FRS 17 disclosure at 31 December 2005 has been based on a full assessment of the liabilities of the International Power section of the Electricity Supply Pension Scheme at 31 March 2004.

The major assumptions used by the actuary were:

	Year ended 31 December 2005 %	Year ended 31 December 2004 %	Year ended 31 December 2003 %
Inflation assumption	2.9	2.9	2.8
Rate of increase in salaries	4.4	4.4	4.3
Rate of increase of pensions in payment	2.9	3.0	2.9
Rate of increase of deferred pensions	2.9	3.0	2.9
Rate used to discount plan liabilities	4.7	5.3	5.4

The assets in the scheme and the expected rates of return were:

	31 December 2005		31 December 2004		31 December 2003	
	Long-term rate of return %	Value £m	Long-term rate of return %	Value £m	Long-term rate of return %	Value £m
Equities	7.1	60	7.5	44	7.8	36
Bonds	4.6	7	5.0	5	5.1	5
Other	6.0	7	6.2	6	6.6	4
Total market value of assets		74		55		45
Present value of scheme liabilities		(92)		(67)		(58)
Deficit in scheme		(18)		(12)		(13)
Related deferred tax asset		5		4		4
Net pension liability		(13)		(8)		(9)