

Annual Report

for the year ended 31 December 1993

ELECTRICITY SUPPLY BOARD
BORD SOLATHAIR AN LEICTREACHAIS

"change is the very
essence of life"



Annual Report for year ended 31 December 1993

Highlights

Financial Outcome-Deficit	(£20.8m)
Income	£943m
Assets in Commission (before depreciation)	£2,572
Sales (Million Units)	13.439
Customers	1,348,196

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"it was the best of times,
it was the worst of times"



Chairman's Report

In accordance with the provisions of the Electricity (Supply) Acts 1927/1988, the Board presents its Annual Report and Accounts for the year ended 31st December, 1993.

The first line of A Tale of Two Cities might well have been written to summarise what the year 1993 was for ESB - "It was the best of times, it was the worst of times". The year was "best" in the sense that all parts of the company performed well at an operational level. A major restructuring designed to improve costs and effectiveness was approved and is being implemented with the full co-operation of staff and their trade unions; employee relations were excellent; ancillary activities which now employ 1,000 people traded profitably and broke new ground in overseas work through winning contracts in Eastern European countries; the Board's policies on environmental protection and auditing were satisfactorily implemented.

The year was "worst" in the sense that there was a substantial deficit of over £20 million after surpluses in the five previous years, during which electricity prices were reduced three times, leaving them now amongst the very lowest in the EU.

The Chief Executive, Mr. Joe Moran, covers all these matters in his comprehensive review of the year.

The most significant event of 1993 was the Board's approval of a major restructuring of the company. The purpose of this is to position the company for the new era facing us, when the monopoly position of large public utilities will be replaced by competition driven by the EU single market policies. For making this restructuring possible, the Board acknowledges the approval and support of the Minister for Transport, Energy & Communications, Mr. Brian Cowen, and the Government.

The Board welcomes the new legislation which has been promised to replace the Electricity (Supply) Act, 1927, and subsequent Electricity (Supply) Acts, under which ESB operates at present. We hope that this new legislation will embody the spirit of the Culliton Report in relation to the role of government in managing State companies and in the management philosophy to be followed by the State in the control of its companies. Satisfactory government control is achievable without diluting either the effectiveness of boards and executive management or the potential for diversification and job creation.

Good industrial relations on a permanent basis are necessary to assure the financial health and competitiveness of any industry. Happily during 1993 the trade unions and ESB management entered into a formal long-term

relationship based on principles and guidelines developed by a Committee chaired by Mr. Peter Cassells, General Secretary of the Irish Congress of Trade Unions. These new arrangements are designed to ensure industrial peace and to have a partnership approach to the identification and implementation of the changes which ESB must make to survive in the new competitive era. This co-operative approach is a unique initiative in Irish industry and could be the role model for implementing major change in industry, which is in keeping with the Government's philosophy of social partnership and consensus. On behalf of the Board I wish to congratulate the parties for their courage and vision which bode well for the future.

It is a disappointment to have to report a deficit of over £20 million for the year 1993 after so many years of surpluses and price reductions. Since 1986 there have been several price reductions totalling in excess of 32% in real terms. However, the current level of costs coupled with the planned programme for future increased capital investment are such that a price adjustment is necessary.

This position was reached in 1993. The Board applied to Government for a price increase under a mechanism which would be designed both to set financial targets for ESB and predict price trends into the future to help industrial and commercial planning.

The Government has, understandably, postponed a decision on electricity prices pending the outcome of the restructuring of ESB and of the costs study recently announced. This study will be carried out by ESB management and consultants under the joint supervision of the Department of Transport, Energy & Communications, ESB and the trade unions. We have to be optimistic that the positive attitude of all the parties will bring about radical changes leading to economies in the long term. To the extent that such changes may affect staffing levels it will take a number of years to implement them. ESB has delivered well to the community over 67 years and in the current circumstances, the reality of modest increases in electricity prices should be accepted to ensure financial viability in the future.

It is almost a cliché, but nevertheless true to say, that electricity supply is the most fundamental of all public services. Economic and social activity are totally dependent on a high quality, continuously reliable service. The attraction of foreign industry to Ireland and the expansion of indigenous industry will always be greatly influenced by international comparisons in the quality of electricity supply and also in the price levels - a peripheral country like Ireland needs to achieve a competitive advantage in both.

In every country the electricity industry requires continuous major capital expenditure to replace obsolete plant, to meet growth in demand and to upgrade transmission and distribution facilities. Ireland is no exception. ESB is promoting electricity conservation aggressively to manage demand but there will still be growth and the need to replace obsolete plant in the future. There is also the urgent current need to upgrade distribution and transmission facilities.

For its part, ESB must achieve the lowest possible capital expenditure programme through the better use of assets, energy conservation and the application of best international practice in every area. The Government likewise must ensure that the financial and operating regimes which will govern ESB will be such that the company can remain financially viable and capable of securing sufficient capital in international markets.

The Board has adopted the following statement of a vision for ESB as it approaches the Millenium -

"ESB will be a world class company focusing primarily on the energy market, delivering quality products and services to our customers.

Through teamwork, innovation and a spirit of enterprise we will -

: Meet competitive challenges

: Continue to be the electricity supplier of first choice to the people of Ireland, our owners

: Perform to the highest standards of efficiency and integrity

: Grow our International Businesses

: Behave as a good corporate citizen

Working together as a creative workforce, sharing common objectives and treating each other with trust and respect, we will succeed."

This vision will, hopefully, inspire a new age of national endeavour for the company through the challenge it presents. ESB has a high reputation worldwide in the electricity industry. In recent years it has worked in thirty different countries with significant progress in 1993 in the Far East and in the emerging countries of Central and Eastern Europe. It is highly respected in international financial markets with sound credit ratings.

The restructuring now in progress will ensure that the company maintains this standing. It is in the interests of the nation to build up its core of truly international Irish companies, and ESB should continue in this role from a base of a competitive, wholly integrated electricity utility.

The Board wishes me to thank the management and staff of ESB for their efforts during 1993 and to congratulate them on the new relationship of partnership, trust and confidence they have developed.

P. J. Moriarty,
Chairman.

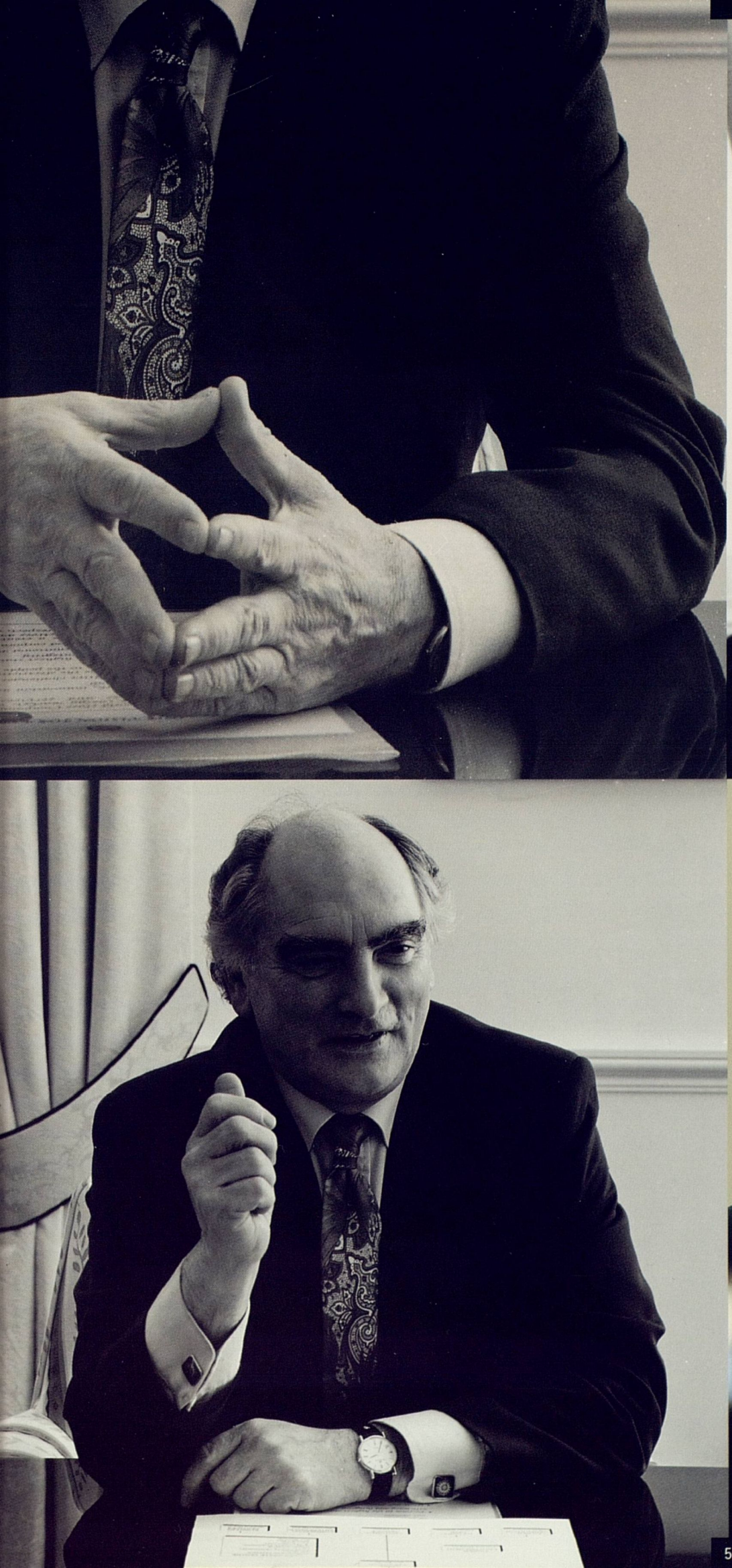
"1993 was a year which saw many significant developments which will chart the course for ESB over the next decade"

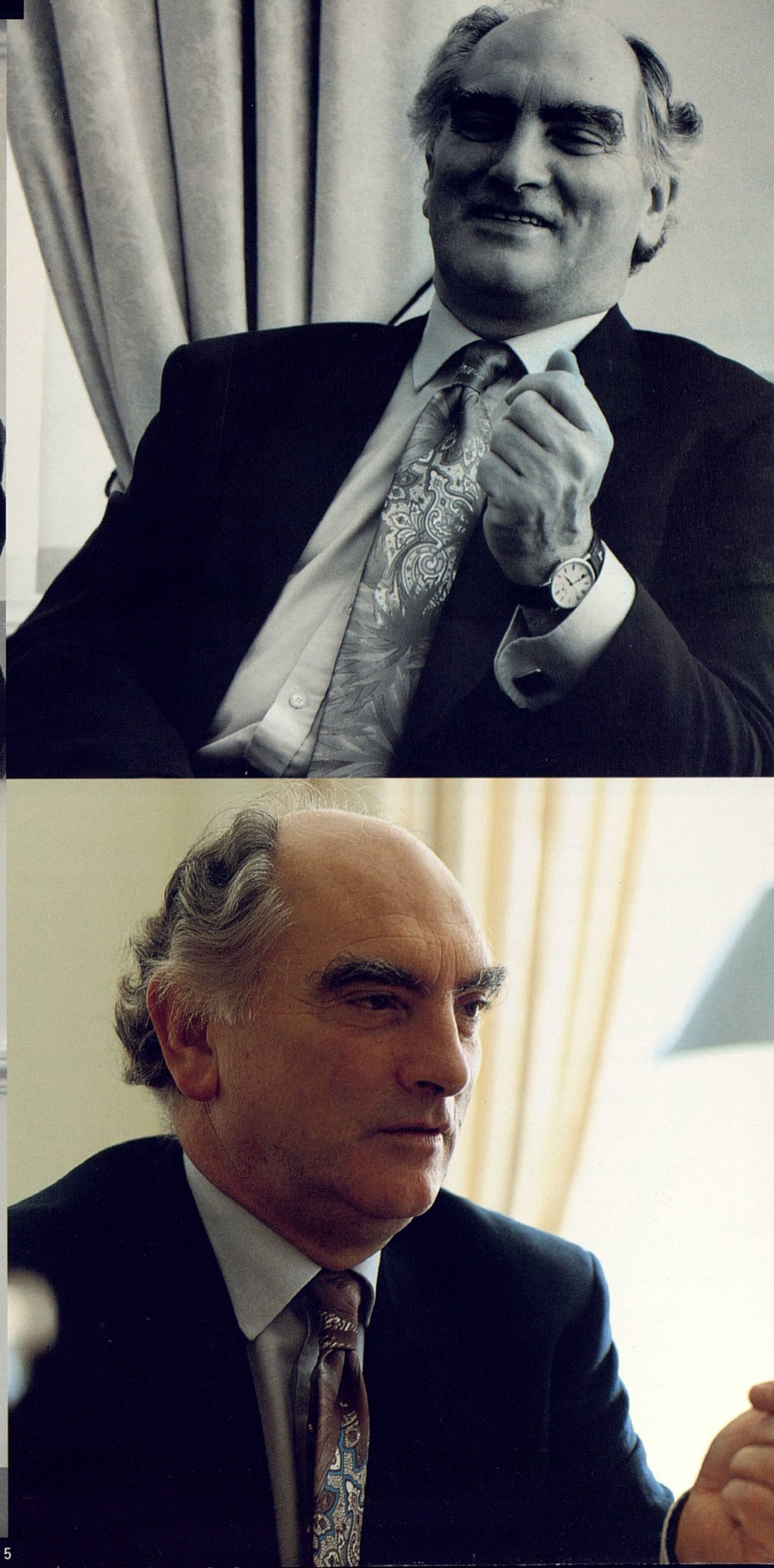
Chief Executive's Review

Introduction

1993 was another eventful year for ESB. While there were outstanding achievements in many areas, our financial performance was disappointing. The operating surplus fell significantly to £34.7m, resulting in a deficit for the year, after providing for repayment of borrowings, of £20.8m, the first since 1987. This almost entirely wiped out the progress made over the previous five years in reducing the accumulated deficit on the Consolidated Profit and Loss Account. The accumulated deficit now stands at £68m.

However, on the positive side, 1993 was a year which saw many significant developments which will chart the course for ESB over the next decade, and lay the foundation for the continuing long-term success of a company which has made an immense contribution to modern Ireland.





"nothing is permanent but change"

Corporate Restructuring

As outlined in the review of 1992, the electricity industry throughout the world is undergoing fundamental change. We have been well aware of this for a long time and, as far back as 1991, with the assistance of McKinsey and Company, we undertook a complete review of the developments taking shape in Europe, with particular emphasis on the Irish market and on the threats and opportunities posed for ESB.

In 1992, before our review was completed, the Government commenced its own examination of the electricity industry in Ireland and invited views from ESB. We responded by enlarging the scope of our study and the Board submitted a formal report as a major input into the Government's Review.

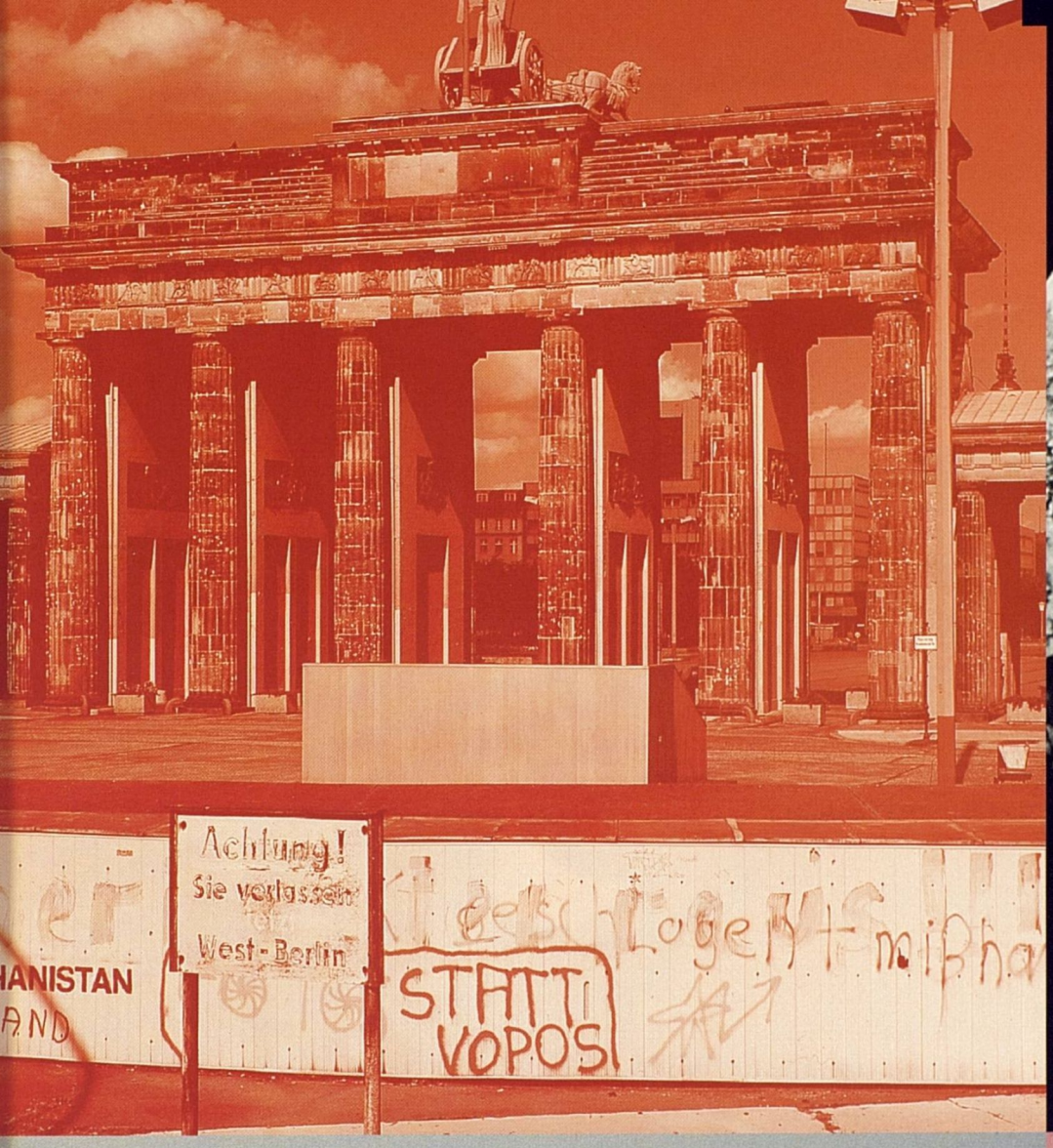
In May 1993 the Government approved ESB's proposals for a radical internal restructuring aimed at positioning the company for the future, and equipping it for the emerging competitive and regulatory environment. The future shape of the electricity industry is still being discussed within the European Union. There is little doubt, however, that the industry is changing rapidly and becoming much more competitive. We have, therefore, proceeded with our corporate restructuring with the support and the understanding of the Trade Unions.

New structures are now in place, with separate Business Units for Power Generation, National Grid, Customer Service, Business Services and Commercial Enterprises. A strategically focused Corporate Centre guides the overall direction of the business. We have created the office of Power Procurer, whose function is to purchase power from ESB generating stations and from independent sources in a completely open and transparent manner. These organisational arrangements are in full accord with the requirements of the EU proposals for the industry.

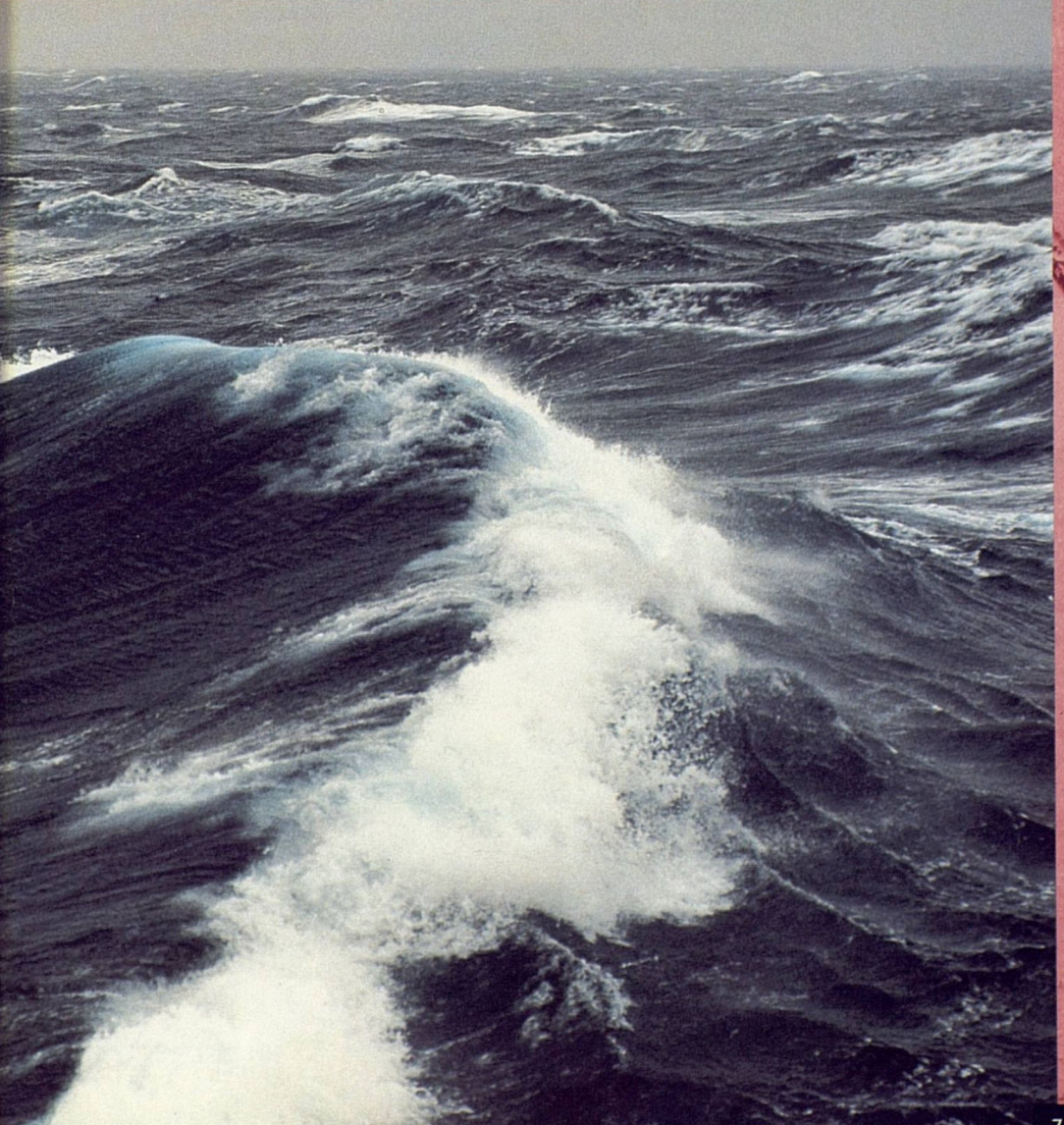
The level of change we are now facing is on a scale never experienced before in the company. ESB has performed with great success over the last 67 years and has delivered a high quality of service to the people of Ireland. These strengths are being built on to ensure that ESB will be as successful in the future as it has been in the past.

The changes required will be achieved only if all our staff identify with company goals which are both challenging and inspiring. As part of the change process a new vision for ESB was developed with the active involvement of staff, trade unions and management and was approved by the Board in October 1993.

The vision sets an ambitious target for the company, but with an enthusiastic and committed contribution from all our people we are confident it will be achieved.


Achtung!
Sie verlassen
West-Berlin
STATT
VOPOS







"things do not change, we change"

People

Everything we are in ESB, and everything we aspire to become, depends on our people. It was in recognition of this that in 1991 a joint Management/Union Committee was established to review relationships in ESB. This Committee was chaired by Mr. Peter Cassells, the General Secretary of the Irish Congress of Trade Unions.

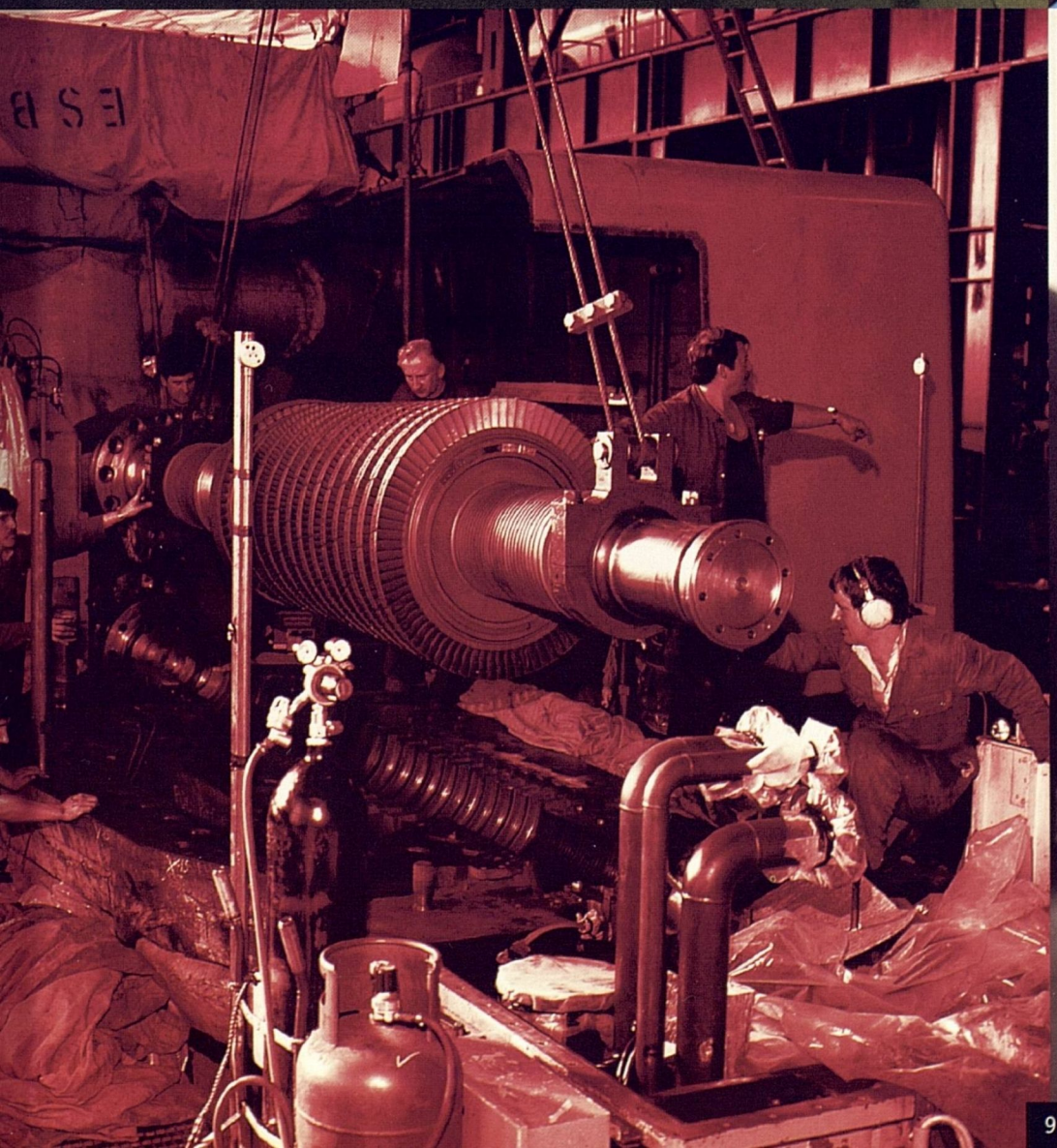
The Committee published its final report early in 1993 and its recommendations were adopted by the Board and accepted by the trade unions. The review brought about a fundamental questioning of the way management and trade unions traditionally view their roles. A new approach to the way relationships within the company are conducted has been developed.

This has led to much greater involvement and participation in the company and is undoubtedly contributing to the progress we are making in the implementation of change.

ESB is committed to the philosophy that people are vital to the success of the company. The challenge is to harness this resource by encouraging people to contribute to decisions affecting ESB and themselves. We know that people would prefer to work in a vibrant, competitive organisation which is ready to meet change and challenges head on, rather than one which has erected barricades and sits idly by while its market evaporates.




SIMON-TELELECT





"the price of electricity is now less than it was in 1983 and, in real terms, the product is cheaper than it has ever been"

Prices

It is now over eight years since ESB increased electricity prices and in the intervening years we have reduced them on several occasions. The price of electricity is now less than it was in 1983 and, in real terms, the product is cheaper than it has ever been.

This is a remarkable achievement which has provided enormous benefits for the whole country. It has only been possible through a continuous attack on internal costs, combined with favourable external factors such as international fuel prices. Electricity prices in Ireland are considerably below those in most other European countries. However, ESB is not immune to general cost pressures or one-off events such as the devaluation of the Irish Pound in January 1993. All of these factors contributed to the deficit for the year of £20.8m.

For some time now ESB has been in discussion with Government on the question of a pricing mechanism which would bring some measure of certainty and predictability to electricity prices for both ESB and its customers. This mechanism would encompass an annual review of prices and its objective would be to avoid any increase in the real price of electricity.

ESB understands the determination of Government to ensure that the cost of public services, such as electricity, are kept to a minimum, as part of the effort to maintain industrial competitiveness and create employment. Early in 1994 we initiated discussions with the Trade Unions and Government aimed at developing a unique approach to examining ESB's competitiveness. As a result of these discussions, Mr. Brian Cowen, Minister for Transport, Energy and Communications, announced a tripartite Cost and Competitiveness Review of ESB. The review will be valuable in measuring our competitiveness, and will assist Government in deciding on a pricing mechanism and its consideration of ESB's application for an electricity price increase.

The review is being led by ESB management, with the participation of the trade unions, and with the assistance of external consultants. It is being overseen by a steering group made up of ESB management, Group of Unions and officials of the Department of Transport, Energy and Communications. This approach provides an unprecedented opportunity to bring change in ESB and sets a headline for other industries facing similar levels of change.

The review has a critical role in establishing how ESB operations compare with best practice in utilities internationally. The unique partnership approach aims to ensure consensus among the main stake-holders, staff, management and Government as to the present position of ESB and the gaps in competitiveness that must be closed to secure long-term competitiveness and financial viability.






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"in these changing times, our performance will set us apart from the competition"

Performance

Though an operating surplus of £34.7m was achieved in 1993, this was significantly down on the previous year and was not sufficient to provide for the repayment of borrowings.

The January 1993 devaluation increased outstanding borrowings by £57.7m and this is reflected in the Consolidated Balance Sheet. However, this did not impact directly on the results for the year because of our policy of building up a currency provision over a number of years to cater for such an eventuality. This policy ensures that large scale currency movements in any one year do not distort the Profit and Loss Account and cause large fluctuations in electricity prices.

Nevertheless during the year, devaluation did affect the costs of materials and bought-in services, as well as interest charges on the increased level of debt and the need to rebuild the provision for currency movements. It, therefore, contributed significantly to the deficit for the year. These factors, together with other cost pressures and the absence of any increase in electricity prices for another full year, made it impossible to reach our financial target in 1993.

There were, however, notable achievements during 1993. The payment of electricity accounts by customers continues to improve and the performance for 1993 was the best ever recorded. A number of initiatives have played a key role in this achievement, among them the undoubted success of our Help Programme and the continuing development of new facilities and systems aimed at further improving our ability to service customers needs.

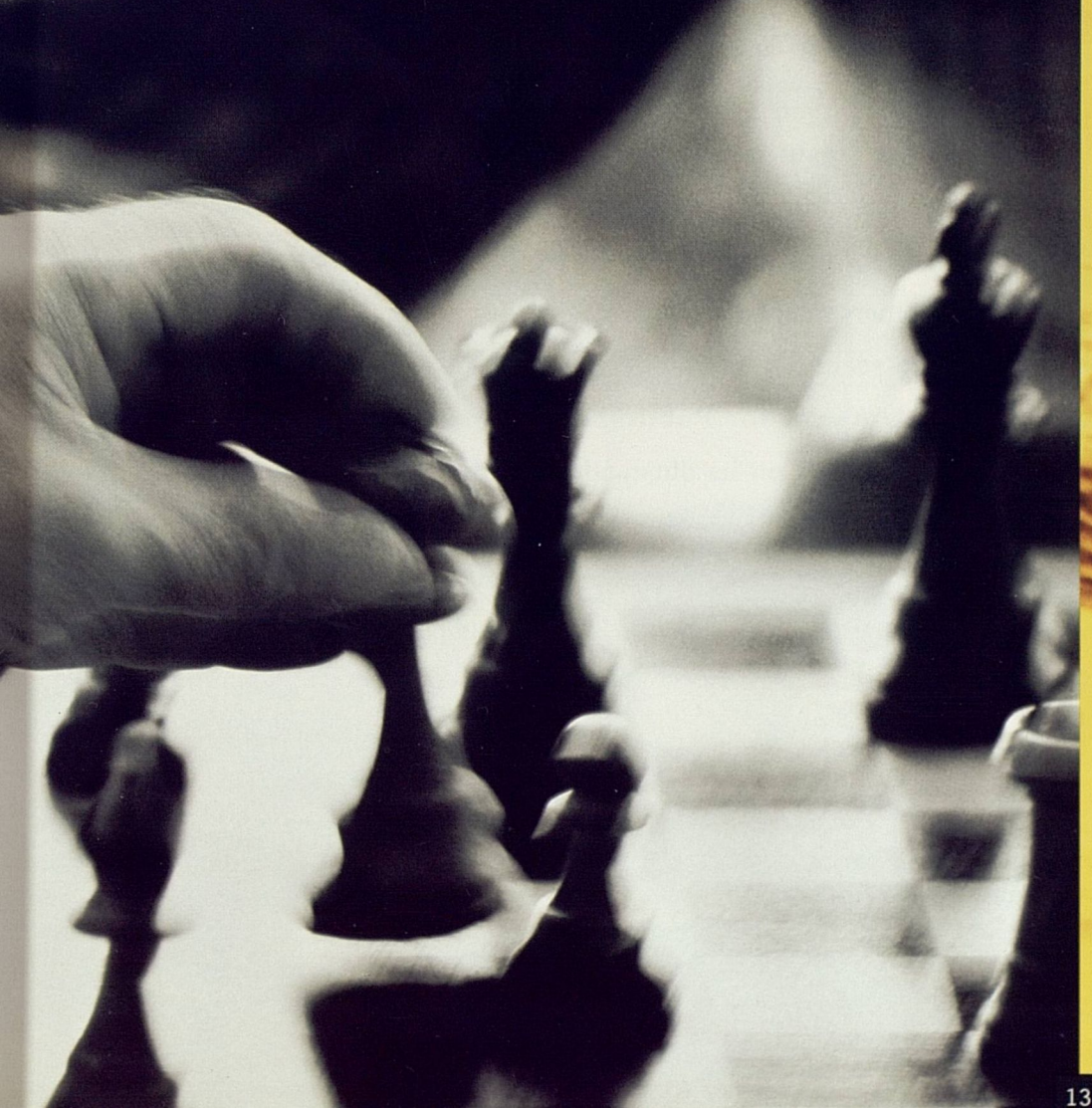
Since the virtual collapse of the ERM in August 1993 the Irish Pound is effectively floating against all other currencies, a completely new situation. We reduced our currency exchange risk by increasing the Irish Pound content of our debt portfolio from 33% to 54%. This was beneficial as Irish interest rates declined significantly during the year and are now close to European levels.

For the third consecutive year generating plant availability - the percentage of time that plant is able to perform to full capacity - exceeded 80%. Performance at 80.5% was an improvement on 1992 but it was somewhat lower than the all-time-high achieved in 1991. Nevertheless, while this level of availability is in line with average international standards, all the factors which affect this critical aspect of power generation are being examined. Our objective is to achieve performance which matches the best.

Work on the restoration of the Ballinamore-Ballyconnell Canal was









"the reward of a thing well done is to have done it"

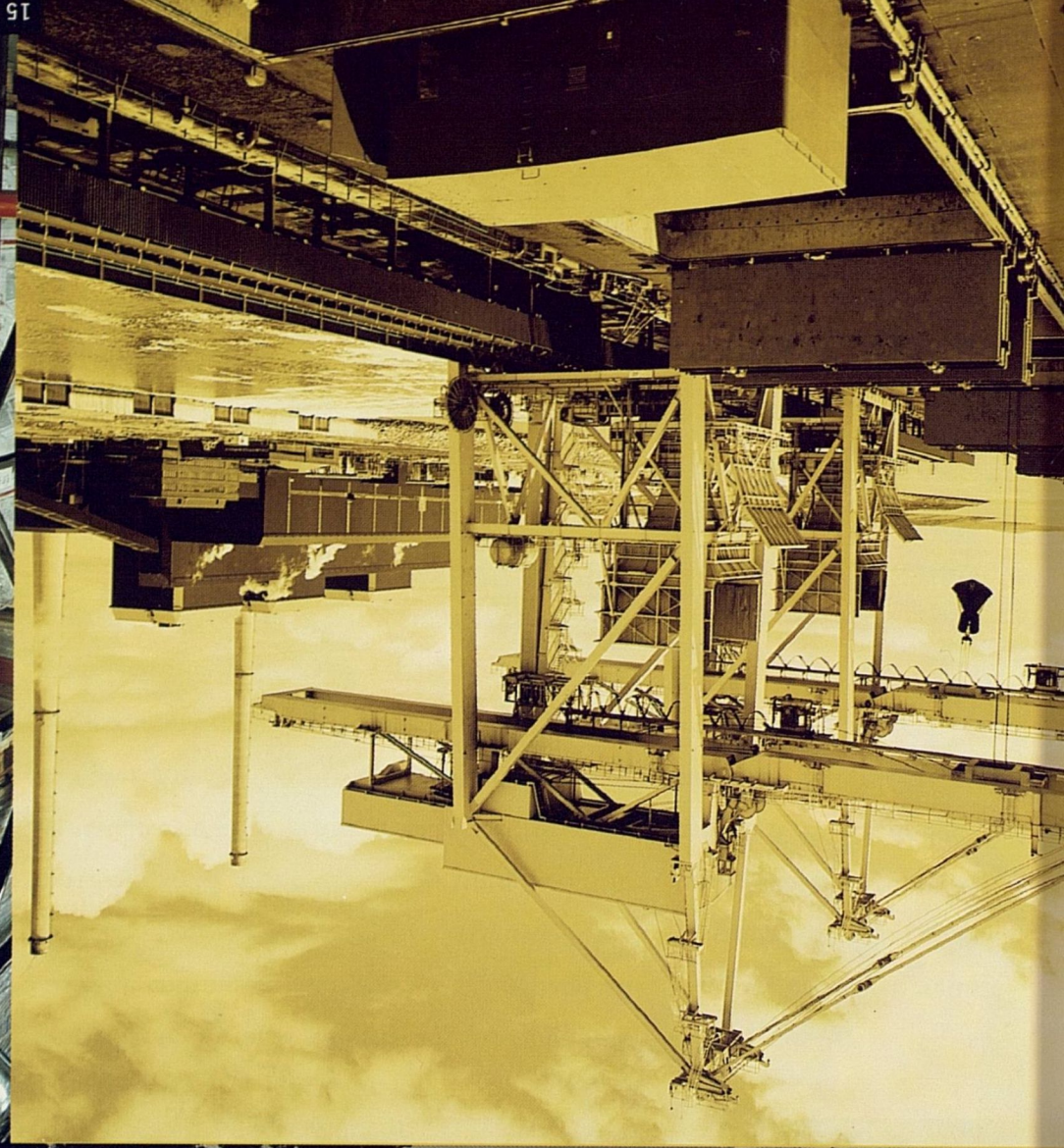
completed by ESB International at the end of 1993 and the newly created cross-border facility, which will be named the Shannon-Erne Waterway, will be officially opened in the Summer of 1994.

The project has enormous significance for the development of tourism in the North-West. A magnificent facility has been created, claimed by some to be unparalleled in Europe, which has the potential to bring thousands of visitors to this part of Ireland. ESB is very proud to have managed this flagship project.

Demand for electricity increased by 4.4% compared to 1992. This growth rate, which reflects the level of economic activity in the country, was recorded despite the very satisfactory results achieved under our Demand Side Management Programme. This programme promotes the efficient use of electricity by our customers and in 1993, including the use of combined heat and power (CHP) and renewables, it delivered a total saving of 155 million units, again well above target. The continuing success of the programme not only brings benefits to ESB, in terms of reduced investment requirements for new generating capacity, but also brings cost savings directly to our customers valued at £10m in 1993.

For the second year in succession ESB is proud to have won An Taoiseach's Award for Public Sector Procurement. The Taoiseach complimented ESB on its outstanding contribution to strengthening the business performance of Irish suppliers - North and South - through its policy of supporting Irish companies in developing products and services of the highest quality and assisting them in finding new markets.


15
Handel vorn







"through all the changing scenes of life"

Meeting Customer Needs

A reliable, secure electricity service is a fundamental need in the modern world. Without it, economic and industrial development, and the job creation that goes with it, is not possible.

ESB has a well earned record of delivering a high quality service to customers. We have met their needs for power, by carefully planning ahead to meet expanding requirements and by making the appropriate investments in generating plant and networks. Whatever the future holds as the new electricity supply industry in Ireland develops, our commitment to providing customers with a quality service will not diminish.

Continuing to meet the electricity needs of customers requires ongoing investment. Demand for electricity in Ireland is growing at well above the rates experienced in other European countries. Over the last six years alone demand has grown by 28% or over 4% per annum. It is no longer possible to cater for growth with existing generating capacity and work is well advanced on a 150 MW combustion turbine in Poolbeg in Dublin, which is due for commissioning in time to meet the Winter 1994/95 demand.

This is the first phase in a proposed combined cycle gas turbine development. The remaining two phases, involving the installation of a further 150 MW gas turbine and the addition of a 160 MW steam turbine using waste heat from the two gas turbines, are awaiting Government approval.

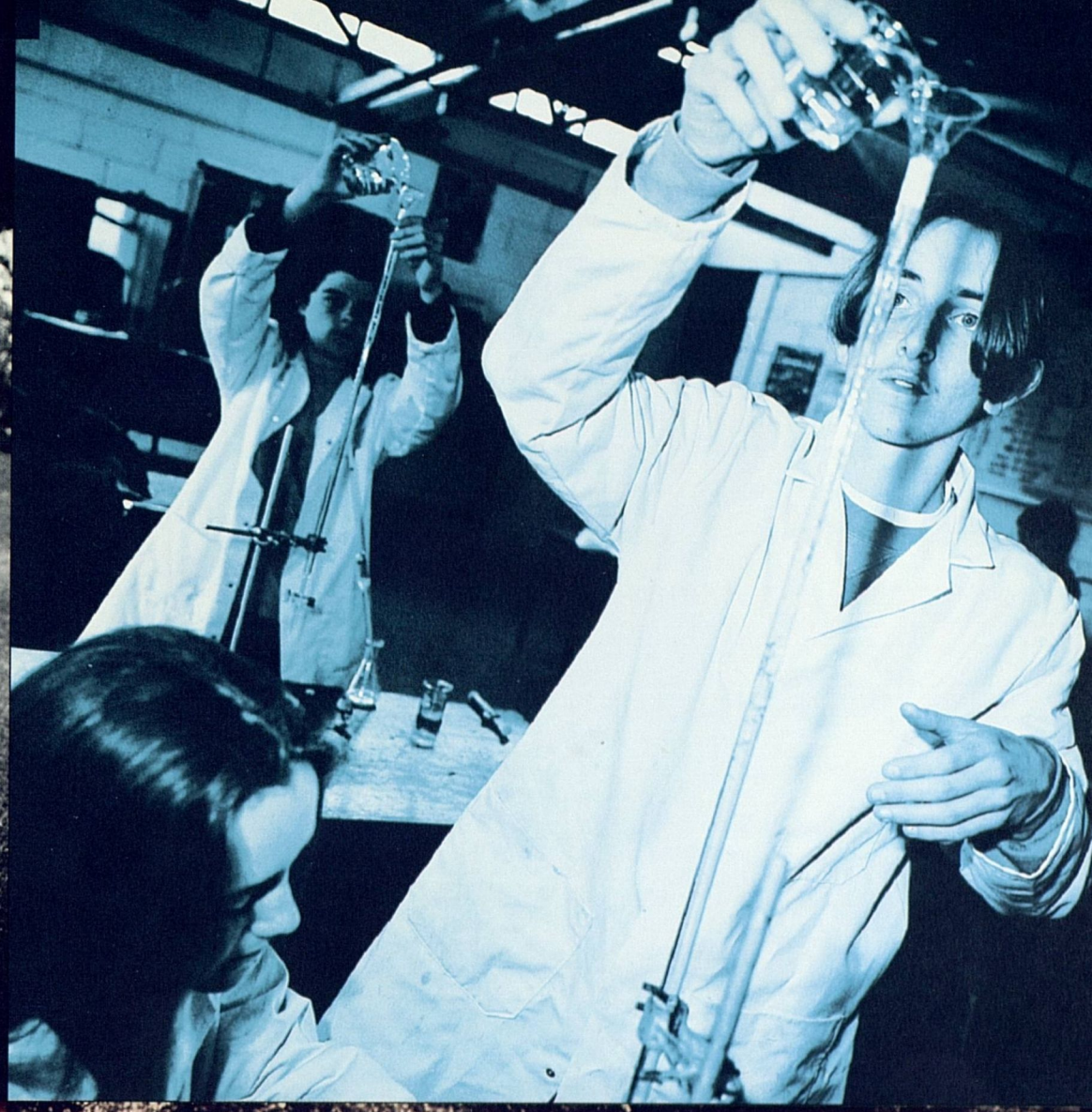
The continuing high growth in demand affects not only our generating capacity but also places additional strains on our networks and services. These networks were constructed at a time when the demand for electricity was much lower than it is today. Rural networks, for example, were not designed to cater for the requirements of modern agribusiness. The electricity infrastructure must also be able to cater for demand arising from locally based manufacturing industry.

Apart from increasing demands on the electricity infrastructure a considerable proportion of ESB's assets are ageing and require substantial refurbishment. During the year the decision was taken to close two of our oldest stations - Arigna (coal) which was 35 years old and Allenwood (sod peat) which was over 40 years old. The two stations had been in service well beyond their original projected lifetimes. In both of these locations, mindful of our continuing social obligations, we are making significant contributions to assist local enterprise endeavours.

ESB values the role of indigenous fuels in the production of electricity provided that this can be done at competitive prices.

Our proposal to extend the national transmission grid, at 220kV, into the









"the noblest service comes from
nameless hands"

Meeting Customer Needs

North-West created considerable controversy in 1993. In many ways this is to be expected in an age of greater environmental awareness. The question raised, however, is much broader than just electricity networks, encompassing the balance that must be struck between the infrastructural requirements of modern industry and protection of the natural environment.

The grid extension represents a major investment by ESB in the electricity infrastructure of the North-West. Without this development it is likely that within a few years the quality of supply to customers in that part of the country will deteriorate, with a consequent impact on industry, employment and the living standards of the local population. Revised planning applications will be submitted to the planning authorities in the four counties involved and their decisions on the proposal awaited.

During the year the Minister for Transport, Energy and Communications set a target for procurement by ESB, based on open competitive bidding, of 75 MW of alternative energy by end of 1996. There will be full transparency of the additional costs associated with this programme, which is now underway.

Overall, the electricity infrastructure in Ireland requires an investment of up to £1,300m, over the next five years, on the development of new generating facilities and the expansion and upgrading of the networks - transmission and distribution lines and substations - aimed directly at supplying the needs of customers and improving the reliability and quality of their supply.

ESB recognises that the scale of the proposed expenditure is substantial and must be fully justified at this time. Consequently, the capital investment programme is included in the Cost and Competitiveness Review now underway. When the review has been completed and the size of the capital programme determined, ESB can then plan its investment to ensure that requirements are met on time.






ELECTRICITY SUPPLY BOARD
BORD SOLATHAIR AN LEICTREACHAIS



"a wise man will make more opportunities
than he finds"

Commercial Enterprises and the International Dimension

Our new Vision Statement clearly sets out the intention to grow our international business in a way which will make a significant contribution to the overall performance of ESB in terms of profitable returns and employment.

Since the passing of legislation in 1988, enabling ESB to engage in subsidiary activities and joint ventures, the company has developed a solid portfolio of commercial enterprises. These have performed well and are now in a position to grow substantially.

While employment opportunities may be curtailed in the core business, our international activities will play a key role in sustaining job numbers in the future. The challenge is to aggressively attack the opportunities arising throughout the world and to substantially increase the level of our business on the international scene.

During 1993 subsidiary companies made a small but significant profit contribution to overall group performance, yielding a return on equity of around 22%.

ESB International

It is now twenty years since ESB took the first tentative steps into international consultancy. Over the intervening period ESB International has developed into a substantial business and is recognised as a significant player in international markets.

In many ways this is a remarkable achievement for a company which springs from a small utility on the periphery of Europe. The success emphasises many of the strengths of ESB; in-depth experience as an operating utility; the skill and versatility of its staff; the capability to embrace other cultures, as well as the standing of Ireland in the international community.

Over the past three years ESB International has focused its strategy on developing business in new areas of the world where opportunities are opening up as a consequence of changes in political structures and industrial development strategies. In particular the market in Central and Eastern Europe is proving a fertile ground for ESB International's expertise and services. In 1993 contracts were secured in many countries including Bulgaria, Georgia, Russia, Czech Republic, Poland, Ukraine, Uzbekistan, the Middle East, Indonesia, Pakistan, North Korea, Ghana and Sierra Leone.

The construction of the Corby Power Station in the UK was successfully completed during the year. This 350 MW combined cycle gas plant, one of the UK's first independently owned power stations, was commissioned in early 1994. In addition to having a 20% stake in the plant, ESB International has a seven year contract to operate it.









"nothing will ever be attempted if all possible objections must be first overcome"

The contracts secured by ESB International in these new markets create vital opportunities to establish the company's credentials as high quality consultants with a global standing. There is every reason to be confident that, provided its competitive position can be maintained, further contracts and opportunities will follow.

ESB Financial Services

ESB Financial Services Ltd. has three subsidiaries, FTI, Financelectric Ltd. and ESB Fund Managers Ltd., all of which performed well in 1993.

FTI in the first five years of its existence, has carved out a niche for itself in the area of strategic treasury management, corporate finance and commodity price management. It works with many large companies in Ireland and with electricity utilities in the UK and Central Europe. FTI is also licensed to operate in Dublin's International Financial Services Centre (IFSC) where it is a leading provider of agency services to treasury subsidiaries of large multinationals. 1993 was its best year to date.

Salmara Holdings

The performance of Salmara Fisheries Ltd. improved substantially in 1993, despite the major difficulties being encountered by the aquaculture industry, caused by instability on international markets, the dominant position of the Norwegians, and sustained attacks by opponents of fish farming. Salmara increased its turnover significantly in 1993 and the company returned a modest profit.

Salmara Fisheries is now Ireland's largest producer of Atlantic Salmon. It employs 160 full-time staff, including a substantial number of young University graduates. When entering this business ESB was conscious of its potential for creating employment and enterprise at local level, often in remote parts of the country where job opportunities are limited. In 1993 Salmara spent over £7 million on the purchase of goods and services in the localities in which it operates. Salmara is committed to developing its business to the best environmental standards. It supports research into the sea trout issue and into measures to eliminate sea-lice. It co-operates fully with the Department of the Marine and Fishery Boards, whose inspectors visit Salmara farms on a frequent basis.

The current campaign being waged against the aquaculture industry by its opponents is now adversely affecting the opportunity to develop our national resources in the interest of creating sustainable employment and export growth. A balanced perspective on all the issues is essential at this stage. ESB believes that the proper approach is for all fisheries interests to





join together in supporting further research and to work together in a spirit of co-operation.

ESB Industrial Holdings

ESB Industrial Holdings Ltd. (ESBIH) supports the development of soundly managed, export-oriented Irish manufacturing companies through equity participation. ESBIH had a very satisfactory year in 1993 and the prospects for sustained growth and development are encouraging.

Policy and strategy for investment in industrial ventures were subjected to rigorous review at the end of 1993 and a revised policy was submitted and approved by the Board of ESB in January 1994.

Investment will be concentrated in Irish based industries in the energy, engineering, electronics and environmental sectors. Over the next three years, the focus will be on developing key companies in each sector. We are confident that this investment programme will generate substantial employment as well as providing increased return and dividends to ESB.



"the nation that destroys its soil
destroys itself"

Safety and the Natural Environment

Safety

The safety of staff and the public is a top priority in all aspects of our operations. We continuously monitor and upgrade training programmes to ensure safe working practices throughout the company and that the necessary resources are devoted to this key area. The requirements laid down in the Safety, Health and Welfare at Work Act 1989 are being fully complied with and Safety Statements are in effect in all major work locations. Creating public awareness of the dangers associated with electricity is addressed through a programme of advertising, leaflet production and information seminars.

Natural Environment

A statement of environmental policy was adopted by the Board during the year. This sets out the basis on which the company will manage its environmental responsibilities, and includes a commitment to take a leading role in environmental stewardship in Ireland. Significant progress was made in implementing a comprehensive environmental management and audit system in generating stations.








High noise zone
level above 90 dB(A)
wear ear protectors
at all times
Code No. 3227365

"as is our confidence, so is our capacity"

Conclusion

ESB is confident of its ability to manage the many challenges in the emerging, competitive electricity supply industry. The co-operative approach now being pursued involving the key partners, Government, management and trade unions, in addressing the threats and opportunities of the future, augurs well for the continued success of the company.

The enlarging and more competitive markets of the European Union create a major challenge for a small country that depends so much on foreign markets. Ireland will have to compete even more aggressively, at home and abroad, against many large and dominant industries. It is essential that our country preserves and indeed expands its stock of significantly sized indigenous industries capable of competing in the international arena. Without doubt ESB fits into this category . It is an integral part of our vision for the future to be a world class company in the energy market. We look to the support and encouragement of Government to achieve this goal.

There were eleven general meetings and six special meeting of the Board during the year ended 31st December 1993. The number in brackets opposite each name is the number of meetings attended by each Board Member.

The Board

The following were the members of the Board at 31st December, 1993.

Patrick J. Moriarty	(15)	Joseph LaCumbre	(15)
Rynal Coen	(10)	William M. McCann	(14)
Seán Geraghty	(15)	Colm McCarthy	(10)
Denis Holland	(16)	Joe Moran	(16)
Eamon Kelly	(16)	Caitríona Murphy	(16)
Patrick J. Kevans	(13)	Edmond O'Kelly	(14)

This report was approved by the Board at its meeting on 8th March, 1994 for submission to the Minister for Transport, Energy and Communications.

Signed: P.J. Moriarty, Chairman
D.J. Moran, Chief Executive
D. Mahony, Secretary

Patrick J. Moriarty William M. McCann Eamon Kelly

Patrick J. Kevans Edmond O'Kelly Denis Holland

Seán Geraghty Joseph LaCumbre Caitríona Murphy

Rynal Coen Joe Moran Colm McCarthy

Board Members

Patrick J. Moriarty, Chairman
Rynal Coen
Seán Geraghty
Denis Holland
Eamon Kelly
Patrick J. Kevans
Joseph LaCumbre
William M. McCann
Colm McCarthy
Joe Moran, Chief Executive
Caitríona Murphy
Edmond O'Kelly, Deputy Chairman

Secretary

Don Mahony

Executive Directors

Corporate Strategy & Technology
John A. Duffy

Corporate Personnel
Lorcan S. Canning

Corporate Finance
Joe Maher

Power Procurer

Fiachra McDyer

Managing Directors, Business Units

Power Generation
Ken O'Hara

National Grid
Kieran O'Brien

Customer Services
Ted Dalton

Business Services
Richard Hayden

Commercial Enterprises
Michael Hayden

Accounts for year ended 31 December 1993

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Consolidated Profit and Loss Account

Year ended 31 December 1993

	Notes	*1993 £000's*	*1992 £000's*
Turnover	1	**942,683**	915,343
Operating Costs		**(830,299)**	(774,393)
Net Interest Cost	2	**(77,679)**	(79,994)
Operating Surplus		**34,705**	60,956
Provision for repayment of borrowings (See Policy Note 3.)		**(55,228)**	(59,940)
Share of Associated Companies' Profit		**337**	171
Taxation (Charge)/Credit	4	**(611)**	34
(Deficit)/Surplus Before Minority Interests		**(20,797)**	1,221
Minority Interests		**(1)**	653
(Deficit)/Surplus for Year	5 & 6	**(20,798)**	1,874
Deficit from Previous Year		**(46,929)**	(48,803)
Deficit to Next Year	6	**(67,727)**	(46,929)

Signed: **P. J. Moriarty,** Chairman

Signed: **D. J. Moran,** *Chief Executive*
J. P. Maher, *Director, Finance*

8 March 1994

As at 31 December 1993

	Notes	Consolidated 1993 £000's	Consolidated 1992 £000's	Parent 1993 £000's	Parent 1992 £000's
Assets Employed:					
Fixed Assets:					
Tangible Assets	7	**1,675,286**	1,615, 837	**1,669,393**	1,610,333
Financial Assets	8	**57,053**	52,010	**85,692**	71,447
		1,732,339	1,667,847	**1,755,085**	1,681,780
Current Assets:					
Stocks	9	**121,867**	114,851	**114,185**	108,292
Debtors	10	**262,059**	257,696	**219,265**	228,948
Investments	11	**821**	853	**821**	853
Cash at Bank and in Hand		**7,220**	25,429	**4,042**	21,451
		391,967	398,829	**338,313**	359,544
Creditors (Falling due within one year)					
Borrowings & Other Debt	12	**(114,242)**	(185,954)	**(93,593)**	(183,487)
Other Creditors	13	**(162,532)**	(156,382)	**(155,688)**	(154,526)
		(276,774)	(342,336)	**(249,281)**	(338,013)
Net Current Assets		**115,193**	56,493	**89,032**	21,531
Total Assets less Current Liabilities		**1,847,532**	1,724,340	**1,844,117**	1,703,311
Creditors (Falling due after more than one year)					
Borrowings & Other Debt	12	**(875,969)**	(783,294)	**(875,743)**	(762,731)
Provision for Liabilities and Charges	14	**(88,058)**	(115,415)	**(88,058)**	(115,364)
Net Assets		**883,505**	825,631	**880,316**	825,216
Financed By:					
Reserves:					
Sinking fund for Repayment of Borrowings	15	**49,651**	49,429	**49,651**	49,429
Other Reserves	16	**901,538**	823,209	**901,570**	823,441
Profit and Loss Account	6	**(67,727)**	(46,929)	**(70,905)**	(47,654)
Minority Interests		**43**	(78)	-	-
		883,505	825,631	**880,316**	825,216

Signed: **P. J. Moriarty**, Chairman

Signed: **D. J. Moran**, *Chief Executive*
J. P. Maher, *Director, Finance*

8 March 1994

Consolidated Statement of Total Recognised Gains and Losses

Year ended 31 December 1993

	1993	*1992*
	£000's	*£000's*
(Deficit)/Surplus Before Minority Interests	**(20,797)**	1,221
Provision for Repayment of Borrowings	**55,228**	59,940
Interest (including gains) on Sinking Fund investments	**11,955**	5,073
Non Repayable Supply Contributions	**11,168**	14,363
Translation differences on consolidation of foreign subsidiaries	**200**	(196)
Minority Interest	**(1)**	653
Total Recognised Gains and Losses for year	**57,753**	81,054

Reconciliation of movements in Reserves

Total recognised gains and losses for period	**57,753**	81,054
Increase/(Decrease) in minority interests	**121**	(624)
Opening Reserves	**825,631**	745,201
Closing Reserves	**883,505**	825,631

Consolidated Cash Flow Statement

Year ended 31 December 1993

	Notes	1993 £000's	1992 £000's
Net Cash Inflow from Operating Activities	17(a)	**236,073**	265,918
Returns on Investments and Servicing of Finance			
Interest Received (including gains) Sinking Fund		**9,830**	4,987
Other Interest Received		**5,645**	3,786
Interest Paid		**(85,449)**	(89,557)
Interest Element of Finance Lease Payments		**(3,906)**	(2,029)
Net Cash Outflow from Returns on Investments and Servicing of Finance		**(73,880)**	(82,813)
Taxation			
Corporation Tax		**(266)**	(14)
Investing Activities			
Purchase of Tangible Assets		**(128,369)**	(117,968)
Purchase of Financial Assets		**(3,898)**	(504)
Purchase of Investments		**-**	(72)
Sale of Tangible Assets		**14,693**	2,857
Sale of Financial Assets		**33,426**	875
Sale of Investments		**32**	-
Net Cash Outflow from Investing Activities		**(84,116)**	(114,812)
Net Cash Inflow before Financing		**77,811**	68,279
Financing			
Repayment of Long Term Loans		**(213,301)**	(163,409)
New Loans in Year		**139,440**	96,096
Capital Element of Finance Lease Payments		**(19,294)**	(6,370)
Non Repayable Supply Contributions		**11,218**	13,769
Minority Interests		**120**	29
Net Cash Outflow from Financing		**(81,817)**	(59,885)
(Decrease)/Increase in Cash and Cash Equivalents	17(b)	**(4,006)**	8,394

1. Basis of Accounting

The financial statements have been prepared under the Historical Cost Convention.

Section 21 (2) of the Electricity (Supply) Act 1927 requires ESB (Parent) to fix charges made for the sale of electricity and for goods and services rendered by it so that the revenue derived in any year from such sales and services will be sufficient and only sufficient (as nearly as may be) to pay all salaries, working expenses, and other outgoings properly chargeable to income in that year and such sums as the Board may think proper to set aside in that year for reserve fund, extensions, renewals, depreciation, loans and other like purposes. The accounting policies adopted in these financial statements reflect this requirement.

2. Basis of Consolidation

The group financial statements include the financial statements of the parent and of all subsidiaries together with the group's share of the results and net assets of associated companies. Where a subsidiary or an interest in an associated company is acquired during the financial year, the group financial statements include the attributable results from the date of acquisition. A separate profit and loss account for the parent is not presented.

3. Provision for Repayment of Borrowings

An amount is included in the profit and loss account each year, and transferred to the sinking fund reserve, so as to set aside such sums as are considered proper for the repayment of borrowings as is required under the terms of Section 5 of the Electricity (Supply) (Amendment) Act 1982. The amount is reviewed periodically and presently consists of:

- An amount for repayment of ESB stock issues in accordance with contractual obligations.
- An amount for repayment of other borrowings calculated at 6% of their Irish Pound value as at the previous year end.

Interest earned on sinking fund investments is credited directly to the sinking fund reserve.

4. Foreign Currency

(a) ESB (Parent) Borrowings

Foreign currency borrowings and related hedging contracts are translated at exchange rates ruling at the year end, and differences, including those realised during the year, are charged or credited to the provision for currency movements on borrowings. This provision is maintained, in the light of historical experience, for possible currency exchange losses. An amount is estimated each year which is included in the Profit and Loss Account as a charge/credit under Operating Costs and transferred to the provision account. In estimating the amount the following factors are taken into account; previous long term currency trends, present expectations, the profile of the debt and the balance on the provision account for currency movements on borrowings coming forward from the previous year. This treatment, while not following SSAP 20, is considered more appropriate in the context of ESB's rate fixing responsibility.

(b) Subsidiaries

The balance sheets of foreign Subsidiaries are translated at year end rates and the profit and loss accounts are translated at average rates for purposes of consolidation. Translation gains or losses arising are disclosed as a movement on reserves.

5. Non - Repayable Supply Contributions

Non repayable supply contributions from customers towards the cost of providing or upgrading electricity supply, which are levied in order to provide permanent capital, are credited directly to capital reserves.

6. Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost. Cost includes prime cost, overheads and interest during construction.

Depreciation is designed to recover historical cost over allotted lifespans. Methods used are appropriate to the nature of the Group's business and to the character and extent of all its tangible fixed assets.

Assets are grouped and allotted lifespans in line with international practice. Major asset classifications and their allotted lifespans are:-

- Generation plant and Thermal Station Structures (other than Moneypoint Station) 20 years
- Distribution Plant and Structures 25/30 years
- Transmission Plant and Structures and Moneypoint Station Plant 30 years
- General Buildings, Hydro Stations and Moneypoint Station Structures 50 years

Depreciation is provided:-

- On the straight-line method for Transmission, Distribution and General Assets.
- On a projected plant usage basis for Generating Units.
- On all assets from date of commissioning.

7. Finance Leases

The cost of assets acquired under finance leases is included in tangible fixed assets. Depreciation is provided at rates designed to recover this cost over the shorter of the allotted lifespans of the assets and the period of the leases. The capital element of future rentals is treated as a liability and the interest is charged to the Profit and Loss Account over the period of the leases in proportion to the balances outstanding.

Rentals payable under operating leases are charged to the Profit and Loss Account evenly over the term of lease.

8. Stocks

Stocks are valued at the lower of average cost and net realisable value. Spares held to provide for major plant breakdowns are capitalised as part of generating plant and depreciated accordingly.

Provision is made for obsolete, slow-moving or defective items where appropriate.

9. Financial Fixed Assets

Listed Investments are shown at cost with a note as to market value. Unlisted investments are shown at cost unless in the opinion of the Directors there has been a permanent diminution in value.

10. Deferred Payment/Hire Purchase Sales

Profit on deferred payment/hire purchase sales is taken in the year of sale. Credit for interest is taken on a reducing balance basis over the deferred payment/hire purchase term.

11.Taxation

Corporation tax payable is provided on taxable profits at the current rates.

Deferred Tax is accounted for in respect of all material timing differences only to the extent that it is probable that a liability will arise in the foreseeable future.

12. Provision for Generating Station Dismantling.

This is to provide for the estimated costs of dismantling generating stations when they come to the end of their useful lives.

The amount of the provision is reviewed on an annual basis and charges are included in the Profit and Loss account under Operating Costs.

13. Provision for Environmental Costs

Provision is made for the estimated costs to be incurred by the Board on specific projects as they are identified to meet its environmental objectives so that these costs are charged to the Profit and Loss account over an appropriate period. The adequacy of the provision will be reviewed annually in the light of emerging experience and changing demands.

14. Fuel Commitments

ESB (Parent) policy is to hedge exchange rates applicable to a significant proportion of its estimated future requirements for fuel by means of appropriate hedging contracts.

The exchange rate used in the cost of hedged US Dollars for fuel purchases is the average exchange rate of the hedging contracts in place. Other fuel purchases are recorded at the spot rate or at the actual rate arising on related short term hedging contracts.

This treatment is consistent with ESB's rate fixing responsibility and is reviewed annually.

15. Superannuation Scheme

The cost of providing pensions and other post retirement benefits is charged to the Profit and Loss account on a systematic basis as recommended by the Actuaries.

Year ended 31 December 1993

1. Turnover - £000's

Turnover, which comprises the value of sale of goods and services, excluding intra-group transactions, is attributable as follows:

	1993	*1992*
(a) Business Activity:		
Electricity	**845,433**	827,565
Appliance Sales and Contracting	**47,038**	48,405
Other Activities	**50,212**	39,373
	942,683	915,343
(b) Geographic Markets (Originating primarily in Ireland):		
Ireland	**922,331**	893,148
Europe	**11,665**	14,822
Others	**8,687**	7,373
	942,683	915,343

All of the Group's Turnover and Operating Surplus arise from continuing operations.

2. Net Interest Cost - £000's

		1993		*1992*
Total Interest payable:				
On loans repayable within 5 years	**38,150**		40,401	
On other loans	**52,984**		48,424	
		91,134		88,825
Total Interest Receivable:				
From Listed Investments	**(74)**		(81)	
From Other Investments	**(4,963)**		(3,803)	
		(5,037)		(3,884)
Less				
Capitalised Interest		**(8,418)**		(4,947)
Net Interest Payable		**77,679**		79,994

3. Employees

	1993	*1992*
(a) Average number of employees in year by business activity and total:		
Electricity Supply	**10,028**	10,051
Appliance Sales and Contracting	**294**	289
Other Activities	**771**	606
	11,093	10,946
(b) Employee Costs in year - £000's		
Pay (Salaries/Wages)	**244,626**	229,886
Social Welfare Costs (PRSI)	**6,728**	6,083
Pension Costs	**34,193**	32,901
Other Payroll Costs	**17,147**	16,515
	302,694	285,385

Includes Payroll costs capitalised £44.6m (£39.1m in 1992)

4. Taxation - £000's

	1993	*1992*
Corporation Tax	**638**	49
Deferred Tax	**(51)**	(89)
Share of Associated Companies' Tax	**24**	6
Total Charge/(Credit)	**611**	(34)

5. (Deficit)/Surplus for the year - £000's

	1993	*1992*
The (deficit)/surplus for the year is stated after charging:		
Depreciation	**96,040**	91,900
Provision for Currency Movements on Borrowings	**20,000**	10,000
Bad Debts	**2,344**	2,405
Operating lease charges	**75**	547
Auditors Remuneration	**147**	150
ESB (Parent) Board Members' Fees	**55**	41

The Auditors received £0.123m for provision of non-audit services to the Group during the year.

6. Consolidated Profit and Loss Account - £000's

	Group *1993*	*Parent* *1993*
Deficit at start of year	**(46,929)**	**(47,654)**
Retained Deficit for year	**(20,798)**	**(23,251)**
Deficit at end of year	**(67,727)**	**(70,905)**

7. Fixed Assets and Capital Commitments - £000's

(a) Tangible Fixed Assets - £000's

Consolidated	*Land and Buildings*	*Plant and Machinery*	*Total Assets in Commission*	*Payments on Account & Assets in Course of Construction*	*Total*
Cost					
Balance at start of year	482,068	1,964,279	2,446,347	87,906	2,534,253
Additions/Transfers	7,671	149,468	157,139	13,264	170,403
Retirements/Disposals	(1,151)	(30,254)	(31,405)	-	(31,405)
Balance at end of year	**488,588**	**2,083,493**	**2,572,081**	**101,170**	**2,673,251**
Depreciation					
Balance at start of year	161,304	757,112	918,416	-	918,416
Charge	13,283	82,757	96,040	-	96,040
Retirements/Disposals	(709)	(15,782)	(16,491)	-	(16,491)
Balance at end of year	**173,878**	**824,087**	**997,965**	**-**	**997,965**
Net Book Value-at 31 Dec, 1993	**314,710**	**1,259,406**	**1,574,116**	**101,170**	**1,675,286**
-at 31 Dec, 1992	**320,764**	**1,207,167**	**1,527,931**	**87,906**	**1,615,837**

Included in the net book value above are net fixed assets of £5.893m (1992: £5.504m) relating to subsidiary undertakings.
The non depreciable element of land and buildings amounts to £2.6m. (£3.0m. in 1992).

Finance Leases
All finance leases are held by the parent company.
The net book value of tangible fixed assets includes an amount of £87.7m. (£51.1m. in 1992) in respect of assets held under finance leases.
Depreciation charged on such assets during the year amounted to £2.5m.(£1.6m in 1992).

(b) Capital Commitments - £000's

	Consolidated		*Parent*	
	1993	*1992*	***1993***	*1992*
Contracted for	**45,033**	22,388	**45,033**	19,321
Authorised but not contracted for	**66,440**	76,200	**63,400**	76,200
	111,473	98,588	**108,433**	95,521

8. Financial Fixed Assets - £000's

	Associated Companies			Other	
	Shares	*Loans*	*Total*	*Investments*	*Total*
Consolidated					
Balance at start of year	**2,740**	**-**	**2,740**	**49,270**	**52,010**
Additions/(Disposals)	**4,422**	**-**	**4,422**	**308**	**4,730**
Share of retained Profit	**313**	**-**	**313**	**-**	**313**
Balance at end of year	**7,475**	**-**	**7,475**	**49,578**	**57,053**

	Subsidiary Companies			Other	
	Shares	*Loans*	*Total*	*Investments*	*Total*
Parent					
Balance at start of year	**8,840**	**13,937**	**22,777**	**48,670**	**71,447**
Additions/(Disposals)	**5,794**	**9,643**	**15,437**	**808**	**16,245**
Provisions for Writedown	**(2,000)**	**-**	**(2,000)**	**-**	**(2,000)**
Balance at end of year	**12,634**	**23,580**	**36,214**	**49,478**	**85,692**

Analysis of Other Investments

	Parent Sinking Fund Investments			Investments by Subsidiary Companies Unlisted
	Listed	*Bank Accounts*	*Total*	
Cost				
Balance at start of year	**33,426**	**15,244**	**48,670**	**600**
Movement	**(33,426)**	**34,234**	**808**	**(500)**
Balance at end of year	**-**	**49,478**	**49,478**	**100**
Market Value of Sinking Fund at end of year is:			**49,478**	

9. Stocks - £000's

	Consolidated	
	1993	*1992*
Plant/Network Stocks, Miscellaneous Spares and Sundries	**72,249**	66,144
Fuel	**40,032**	41,251
Other Stock	**7,682**	6,559
Goods for Resale (Appliances)	**1,904**	897
	121,867	114,851

All the Other Stock above is held by subsidiary companies.

The replacement cost of stocks is not significantly different from their balance sheet values.

10. Debtors - £000's

	Consolidated		Parent	
	1993	1992	*1993*	1992
Amounts falling due within one year:				
Trade Debtors	**49,583**	48,622	**43,255**	45,603
Unbilled Consumption	**107,603**	102,260	**107,603**	102,260
Deferred Payments/Hire Purchase Contracts	**17,758**	20,349	**6,771**	9,636
Amounts owed by:				
Subsidiary Companies	**-**	-	**8,244**	11,889
Associated Companies	**1,305**	1,707	**-**	-
Other Debtors	**59,624**	62,272	**53,115**	58,658
	235,873	235,210	**218,988**	228,046
Amounts falling due after more than one year:				
Deferred Payments/Hire Purchase Contracts	**26,186**	22,486	**277**	902
Total Debtors	**262,059**	257,696	**219,265**	228,948

11. Current Assets Investments - £000's

	Consolidated and Parent	
	1993	*1992*
Listed	**821**	853
Market Value of Listed Investments	**995**	860

12. Borrowings and Other Debt - £000's

Consolidated	*Overdraft/ Other Debt*	*Finance Leases*	*Borrowings*	***1993 Total***	*1992 Total*
Borrowings Due within one year	**21,921**	**5,292**	**87,029**	**114,242**	185,954
Borrowings Due after more than one year					
Between 2 & 5 Years	-	**31,299**	**260,725**	**292,024**	195,336
After 5 years	-	**19,889**	**564,056**	**583,945**	587,958
Total Borrowings due after more than one year	-	**51,188**	**824,781**	**875,969**	783,294
Total Borrowings Outstanding	**21,921**	**56,480**	**911,810**	**990,211**	969,248
Parent					
Borrowings Due within one year	**21,305**	**5,277**	**67,011**	**93,593**	183,487
Borrowings Due after more than one year					
Between 2 & 5 Years	-	**31,293**	**260,505**	**291,798**	174,773
After 5 years	-	**19,889**	**564,056**	**583,945**	587,958
Total Borrowings due after more than one year	-	**51,182**	**824,561**	**875,743**	762,731
Total Borrowings Outstanding	**21,305**	**56,459**	**891,572**	**969,336**	946,218

13. Other Creditors - £000's

Creditors falling due within one year	Consolidated 1993	Consolidated 1992	Parent 1993	Parent 1992
Progress Payments on Work in Progress	**3,882**	3,229	**3,882**	3,229
Trade Creditors	**46,734**	57,621	**44,487**	55,986
Other Creditors	**21,641**	15,936	**16,857**	15,080
PAYE	**6,958**	5,248	**6,889**	5,140
VAT	**18,281**	18,432	**18,024**	18,493
Social welfare (PRSI)	**1,688**	1,178	**1,640**	1,178
Accruals and Deferred Income	**40,769**	33,859	**34,601**	29,436
Amounts owed to Subsidiary Companies	**-**	-	**6,792**	5,358
Accrued Interest on Borrowings	**22,579**	20,879	**22,516**	20,626
	162,532	156,382	**155,688**	154,526

14. Provisions for Liabilities and Charges - £000's

	Provision for Currency Movements	*Provision for Generating Station Dismantling*	*Provision for Environmental Costs*	*Deferred Tax*	*Total*
Consolidated					
Balance at start of year	96,407	18,957	-	51	115,415
Transfer from Profit and Loss Account	20,000	4,318	6,082	(51)	30,349
Revaluation differences	(57,706)	-	-	-	(57,706)
Balance at end of year	**58,701**	**23,275**	**6,082**	**-**	**88,058**

Included above in Deferred Tax is £ Nil (1992: £0.051m) relating to subsidiary undertakings.

15. Sinking Fund for Repayment of Borrowings - £000's

Consolidated & Parent	*1993*	*1992*
Balance at start of year	**49,429**	49,342
Movements during year:		
Provision for Repayment of Borrowings	**55,228**	59,940
Interest income (incl. gains) on Sinking Fund Investments	**11,955**	5,073
Sinking Fund applied to repay borrowings (Note 16)	**(66,961)**	(64,926)
Balance at end of year	**49,651**	**49,429**
Represented by:		
Sinking Fund Investments (Note 8)	**49,478**	48,670
Interest Accrued	**173**	759
	49,651	49,429

16. Other Reserves - £000's

Consolidated	*Non-Repayable Supply Contributions*	*Repaid Capital Reserve*	*Others*	*Total Reserves*
Balance at start of year	**227,006**	**596,435**	**(232)**	**823,209**
Movements during year:				
Non-Repayable Supply Contributions	**11,168**	**-**	**-**	**11,168**
Borrowings Repaid ex Sinking Fund	**-**	**66,961**		**66,961**
Translation differences on consolidation of Foreign Subsidiaries	**-**	**-**	**200**	**200**
Balance at end of year	**238,174**	**663,396**	**(32)**	**901,538**

Included above in Other Reserves is (£0.032m) (1992:(£0.232m)) relating to subsidiary undertakings.

17. Consolidated Cash Flow Statement

(a) Reconcilation of operating surplus to net cash inflow from operating activities - £000

	1993	*1992*
Operating Surplus	**34,705**	60,956
Net Interest Cost	**77,679**	79,994
Depreciation	**96,040**	91,900
Loss on Disposal of Tangible Assets	**221**	518
Provision for Liabilities and Charges	**(27,306)**	19,654
Unrealised Exchange Differences on Borrowings	**57,706**	(6,955)
Translation Differences	**200**	(196)
Amortisation of Goodwill	**-**	507
(Increase)/Decrease in Debtors	**(5,204)**	9,746
(Increase)/Decrease in Stocks	**(3,660)**	4,321
Increase in Creditors	**5,692**	5,473
Net Cash Inflow from Operating Activities	**236,073**	**265,918**

(b) Analysis of balances in cash and cash equivalents and movements during the year - £000's

	Cash at Bank and in Hand	*Overdraft/ Other Debt*	*Total*
Balance at start of year	40,673	(4,956)	35,717
Net Cash Inflow/(Outflow)	13,122	(17,128)	(4,006)
Exchange Rate Movements	2,903	163	3,066
Balance at end of year	**56,698**	**(21,921)**	**34,777**

(c) Analysis of changes in financing during the year - £000's

	Finance Leases	*Long Term Loans*	*Non Repayable Supply Contributions*	*Minority Interests*	*Total*
Balance at start of year	36,075	928,217	229,947	(78)	1,194,161
Cash Flow Items:					
Payments of Finance Leases	(19,294)	-	-	-	(19,294)
New Loan taken out in year	-	139,440	-	-	139,440
Payments of Long Term Loans	-	(213,301)	-	-	(213,301)
Non Repayable Supply Contributions	-	-	11,218	-	11,218
Sale of Interest	-	-	-	120	120
Non Cash Items:					
New Capital Finance Leases	39,091	-	-	-	39,091
Unrealised Exchange Difference	608	57,454	-	-	58,062
Minority Share of losses	-	-	-	1	1
Balance at end of year	**56,480**	**911,810**	**241,165**	**43**	**1,209,498**

(d) Major non cash transactions

During the year the company entered into finance lease arrangements in respect of assets with a total capital value of £39m.

18. Pension Commitments

Pensions for employees in the electricity business and the majority of employees of subsidiaries, are funded through an independent defined benefit scheme called ESB General Employees' Superannuation Fund. The scheme is vested in independent trustees nominated by ESB and its members for the sole benefit of employees and their dependants.

The pension costs of the scheme are assessed in accordance with the advice of independent actuaries obtained at three yearly intervals. The latest actuarial valuation for the scheme was at 31 December 1992 using the attained age method. The principal actuarial assumption was that, over the long-term, the annual rate of return on investments would be 3% higher than the annual increase in pensionable remuneration and the pensions in course of payment.

At the date of the latest actuarial valuation, the market value of the assets of the scheme was £491.4 million which compared to an actuarial valuation of accrued liabilities, based on current earnings, of £553.9 million.

The actuarial value of the assets was sufficient to cover 54% of the liabilities allowing for expected future increases in earnings and pensions. Payment of the recommended funding rate is planned to increase the figure to 100% over time.

In the past, ESB have been involved in voluntary severance programmes and have made additional contributions to the pension scheme. The costs in the current year amount to £3.6 million and will continue at this level up to 31 March 1995, with revised amounts continuing to 31 December 2002. These amounts will be adjusted in line with average salary inflation at each future actuarial valuation.

The total pension cost of the group was £34.2 million being an increase of £1.3 million from 1992.

The actuarial report is available for inspection by members of the scheme only and is not available for public inspection.

19. Accounting Year

Income and expenditure are aligned on a 52 or 53 week year as appropriate. 1993 is a 52 week year (1992 - 53 weeks).

20. Comparative Figures

Where appropriate, previous year's figures are regrouped/restated.

21. Contingent Liability

(i) Deferred Tax: unutilised capital allowances forward at 31 December 1993 are estimated at £462m. The potential tax liability deferred as a consequence of accelerated capital allowances is estimated at £90m (1992: £84m).

(ii) ESB has guaranteed a loan of £20m taken out by its subsidiary FinancElectric Limited.

22. Approval of Accounts

The Board approved the accounts on 8th March 1994.

23. Subsidiary and Associated Companies

Subsidiary Companies	*Registered Office*	*Group Share %*	*Nature of Business*
ESB International Ltd.	Stephen's Court 18-21 St. Stephen's Green, Dublin 2.	100	International Engineering Consultancy & Computing Services
ESBI Engineering Ltd.	Stephen's Court 18-21 St. Stephen's Green, Dublin 2.	100	Engineering
ESBI Engineering (Overseas) Ltd.	Stephen's Court 18-21 St. Stephen's Green, Dublin 2.	100	Engineering
ESBI Consultants Ltd.	Stephen's Court 18-21 St. Stephen's Green, Dublin 2.	100	Consultancy
ESBI Engineering UK Ltd.	122 London Road Kingston on Thames Surrey KP26-QJ, England.	100	Engineering & General Consultancy
EPIN European Procurement Information Network Ltd.	Stephen's Court 18-21 St. Stephen's Green Dublin 2.	100	Marketing Software
ESBI Computing Ltd.	Stephen's Court 18-21 St. Stephen's Green, Dublin 2.	95	Computer Services
Civil, Environmental & Construction Engineering Ltd.	16-18 St. Stephen's Green, Dublin 2.	100	Civil Engineering
Computer Plus Ltd.	27 Lr Fitzwilliam St. Dublin 2.	100	Software Development
Salmara Holdings Ltd.	39 Merrion Square, Dublin 2.	100	Commercial Fisheries
Salmara Fisheries Ltd.	39 Merrion Square, Dublin 2.	100	Commercial Fisheries
Kealincha Salmon Ltd.	39 Merrion Square, Dublin 2.	100	Fish Farming
Fleet Fish Farm Ltd.	39 Merrion Square, Dublin 2.	100	Fish Farming
ESB Financial Services Ltd.	37 Upper Fitzwilliam St. Dublin 2.	100	Financial Services
Strategic Finance & Treasury International Ltd.	Russell Court St. Stephen's Green, Dublin 2.	82	Treasury Management Services

23. Subsidiary and Associated Companies (Cont'd)

Subsidiary Companies	*Registered Office*	*Group Share%*	*Nature of Business*
ESB Fund Managers Ltd.	37 Upper Fitzwilliam St. Dublin 2.	100	Funds Management
FinancElectric Ltd.	37 Upper Fitzwilliam St. Dublin 2.	100	Customer Credit
ESB Industrial Holdings Ltd.	27 Lr Fitzwilliam St. Dublin 2.	100	Industrial & Commercial Projects

Associated Companies	*Registered Office*	*Group Share %*	*Nature of Business*
Irish Salmon Producers Group Ltd.	Kilkieran Connemara, Co. Galway.	37	Salmon Marketing
Top Tech Ireland Ltd.	Poppintree Ind. Est. Finglas, Dublin 11.	50	Supply of special processes to Computer Industry
Sevent Industries Ltd.	27 Lr Fitzwilliam St. Dublin 2.	49	Electrical Distribution Material Manufacture
ESBI Energy Company	2800 Post Oak Road Houston, Texas 77056, USA.	50	Engineering Consultancy
Transpower Ltd.	Stephen's Court 18-21 St. Stephen's Green Dublin 2.	50	Development of Independent Power Projects
ESBI Maritz Ltd.	57 Upper Mount Street, Dublin 2.	50	Performance Improvement
Seeboard International Ltd.	Grand Avenue, Hove, East Sussex BN3 2LS, England.	49	Consultancy
ESBI/ETV Ltd.	Szecheny 1 RKP3 H 1054 Budapest V, Hungary.	50	Engineering Consultancy Services
Hoermann Security System Ltd.	Mahon Industrial Estate Blackrock, Cork.	21.6	Electronics Manufacturing
Corby Power Ltd.	Mitchell Road, Phoenix Parkway, Corby, Northamptonshire NN17 1Q7, England.	20	Power Generation

Statement of Board Members' Responsibilities

The Electricity Supply Acts 1927 to 1988 require the Board Members to prepare financial statements for each financial year in accordance with those acts.

The Board Members consider that in preparing the financial statements on pages 30 to 49 that appropriate accounting policies have been used and consistently applied, reasonable and prudent judgements and estimates have been exercised and that all accounting standards which they consider to be applicable have been followed.

The Board Members have responsibility for keeping proper books of account and for taking such steps as are reasonably open to them to safeguard the assets of the Board and its subsidiaries and to prevent and detect fraud and other irregularities.

The Audit Committee of the Board is composed mainly of non-executive members and meets regularly. The Audit Committee discusses with the internal auditor and the external auditor the group's internal accounting controls, the internal audit function, the choice of accounting policies, the external audit programme, the statutory audit report, financial reporting and other related matters. The internal auditor and the external auditor have full and unrestricted access to the Audit Committee.

On behalf of the Board,

Signed: **P. J. Moriarty,** *Chairman*
Signed: **D. J. Moran,** *Chief Executive*

8 March 1994

As auditors appointed by the Minister for Transport, Energy and Communications, with the consent of the Minister for Finance, we have audited the financial statements of Electricity Supply Board on pages 30 to 49.

Respective responsibilities of Board Members and auditors
As described on page 50 the Board Members of Electricity Supply Board are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion.

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 Board Members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the ESB'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, when read in conjunction with the note on the provision for repayment of borrowings on page 34, give a true and fair view of the state of affairs of the parent and of the group at 31 December 1993 and of the results of the group for the year then ended.

We have obtained all the information and explanations we considered necessary for the purposes of our audit. In our opinion, the parent has kept proper books of account with which the balance sheet of the parent at 31 December 1993 is in agreement.

KPMG Stokes Kennedy Crowley
Chartered Accountants
Registered Auditors
1 Stokes Place
St. Stephen's Green
Dublin 2

8 March 1994

Fisheries report for the year ended 31 December 1993

To the Minister for Defence and the Marine

ESB continues to be represented on the Shannon Regional Fisheries Board, the River Erne Joint Protection Committee, the Shannon Forum and the Lough Sheelin Management Committee. The Blessington Lake Consultative Committee and the River Shannon Salmon and Eel Management Programmes are chaired and serviced by ESB. The River Shannon Coarse Fish Management Programme was initiated by ESB in 1993 and field work will commence in 1994. ESB also participates in a national elver management programme which is chaired by Forbairt.

The River Shannon Salmon Management Programme which was initiated in May 1990 continued in 1993. The programme was established to assess the current status of salmon stocks and the capability of the river to support them.

The 1990-1992 baseline electrical fishing survey established the distribution of naturally spawned juvenile salmon throughout the Shannon catchment. Genetic screening of these juvenile salmon showed that fish from different rivers were not significantly different in terms of genetic make up and that the genetic variability of fish from all rivers was similar to that found in other Irish rivers studied to date. The genetic variability of the progeny of ranched fish was also found to be satisfactory. This finding meant that unfed fry and fingerling derived from ranched fish could be used to restock areas of the upper Shannon catchment which no longer supported natural salmon populations.

The numbers and timing of wild salmon smolt migrating from the Shannon catchment were assessed at a variety of locations and the generating protocol at Ardnacrusha was altered to facilitate smolt outmigration. Results from the 1991 and 1992 smolt ranching programmes clearly demonstrate the ability of hatchery reared smolt to survive turbine passage at Ardnacrusha. Grilse return rates from tagged groups of smolt released upstream and downstream of Ardnacrusha were found to be similar for both release years.

Due to the high rainfall in June 1993 it was necessary to spill in excess of the statutory minimum of 10 cubic metres per second at Parteen regulating weir. This was beneficial for fisheries. Adult salmon census work carried out at Parteen throughout 1993 found that a total of 2,990 fish entered the fish pass of which 900 were wild. In contrast only 900 fish ascended at Ardnacrusha of which 700 were wild. This is the first time that a visual (Ardnacrusha) and trap record (Parteen) has been maintained on the Shannon for a full year and this record shows that in 1993 a total of 1,600 wild salmon

escaped to the upper Shannon, an additional 2,000 ranched fish were retained at Parteen for broodfish purposes while an additional 150 ranched fish ascended at Ardnacrusha. These 1993 data serve as a benchmark against which the success of the River Shannon Salmon Management Programme will be judged in future years. A feature of the 1993 returns of ranched fish was the inclusion of seven large multi-sea-winter males (weighing 20-25lbs) in addition to 162 multi-sea-winter females.

The return of large numbers of ranched fish to Parteen in 1992 meant that significant numbers of unfed fry were available for planting during 1993. ESB was also in the happy position of being able to donate 250,000 salmon ova to the Rhine and Thames salmon restoration programmes.

Salmon progeny from the Parteen Salmon Breeding Programme were released during 1993 as follows:

:160,000 salmon smolt (one year old) in the Lower Shannon (derived from ranched fish returning in 1991)

:3,750,000 unfed fry throughout the Shannon catchment but mainly in the upper catchment area

:120,000 fingerlings in the Inny system and at Castleconnell (these unfed fry and fingerlings derived from ranched fish returning in 1992).

Salmon Management Programmes were also initiated on the Erne and Lee during 1993 with the key objective of assessing the current status of salmon in both catchments.

ESB co-chairs, with the Department of Agriculture for Northern Ireland, the River Erne salmon management programme, and chairs and services the River Lee salmon management programme.

In 1993 an unprecedented run of fish was recorded at Cathaleen's Fall fish pass*. It is believed that this run of fish, which occurred during the autumn, was derived largely from the 175,000 smolt released into the Erne in 1992. Previous results from tagged and/or adipose fin-clipped smolt releases have demonstrated the relationship between the percentage of smolt tagged and/or adipose fin-clipped in any one year with the percentage of returning adults retained as broodfish which are tagged and/or adipose fin-clipped the following year. The River Erne Salmon Management Programme will, among other objectives, quantify the relationship between ranched and wild fish ascending the Erne at Cathaleen's Fall fish pass.

During 1993 a total of 38,000 adipose fin-clipped smolt were released into the River Erne.

ESB continued to be involved in a co-operative programme with the Fisheries Research Centre, Department of the Marine and the South Western Regional Fisheries Board on the Sullane River (River Lee catchment) salmon smolt programme.

During 1993 a total of 120,000 adipose fin-clipped salmon smolt were released in the lower sections of the Lee system.

A baseline electrical fishing survey of the Lee system was also carried out by ESB in 1993. The results show that naturally spawned juvenile salmon populations are satisfactory in tributaries downstream of Inniscarra generating station while upstream of this point naturally spawned juvenile salmon are largely confined to the lower reaches of streams discharging to the Lee reservoirs.

ESB Fisheries Conservation initiated the River Shannon Eel Management Programme in April 1992. The objective of the programme is to assess the current status of eel stocks (elvers, yellow and silver eels) in the Shannon catchment with a view to developing the best possible policy for their management. During 1993 yellow eel stocks in the most important lakes of the Shannon catchment were assessed. A total of 20 survey crews caught 45 tonnes of yellow eel with a value of £135,000. This survey catch represents a significant increase on the 1992 survey catch of 13 tonnes which involved the participation of 8 crews. In 1994 it is planned to increase the number of survey crews above the 1993 level. This will result in additional eel fishing jobs on the Shannon which in turn will generate increased economic activity. During 1993 elver recruitment was monitored and capture, transport and restocking procedures evaluated. The quantities of glass eel caught at various locations along the Shannon estuary using survey equipment suggests that the current low recruitment of elvers to the Shannon system can be augmented.

The assessment of silver eel fisheries at Killaloe and Clonlara continued in 1993. Additional survey crews fished silver eel weirs in the upper Shannon catchment area and provided eel for tagging purposes. Low flows in the Shannon during the months September through November resulted in high December catches. By the end of the 1993/1994 silver eel season the total recorded Shannon catch was 30 tonnes with a value of £150,000.

ESB programmes have the active participation of the Department of the Marine; Central Fisheries Board; the Departments of Zoology at University College Galway, University College Cork, Trinity College and Queen's University, Belfast; Office of Public Works; Aztec Management Consultants and Salmara Fisheries. Their co-operation and input is greatly appreciated by ESB.

A development programme was implemented on the Clady and Crolly rivers with the main objectives of protecting adult salmon and facilitating upstream migration. In 1993 a pilot elver harvest study was carried out in the Clady/Crolly and some 8 kg of elvers were captured and stocked into Lough Allen. Further fisheries investigations will be undertaken in 1994.

Fishing and leisure pursuits on Pollaphouca reservoir, Assaroe Lake and the Lee reservoirs are contributing to the development of the tourist industry in these areas with consequent advantages for the local economy. ESB continued with an annual trout restocking programme on Pollaphouca reservoir.

ESB continued to give all possible assistance to Local Authorities, Regional Fisheries Boards and the Central Fisheries Board in carrying out investigations of pollution incidents and in the implementation of remedial measures.

In the area of fisheries protection activities 1993 was also a very busy year. On the upper Shannon 140 fyke nets and on the Lower Shannon 35 monofilament nets were seized by ESB protection staff. ESB referred a number of cases with full reports to the Shannon Regional Fisheries Board for prosecution. Fishery prosecutions have been taken by the South Western Regional Fisheries Board on behalf of ESB on the Lee system.

In general, 1993 salmon runs were excellent on all ESB waters and rod catches were well above average.

The recorded salmon runs were as follows:

Shannon	3,830
Lee	1,213
Erne	22,000*
Clady	296
Liffey	802

Fisheries - Conservation Operations

Year ended 31 December 1993

	1993	*1992*
	IR£000's	*IR£000's*
Direct costs/overheads	**1,253**	1,317
Less:		
Letting of fishing rights and miscellaneous income	**66**	55
Net cost for year	**1,187**	1,262

Auditors' Report to Electricity Supply Board

We have examined these figures which have been extracted from the accounting records of Electricity Supply Board. In our opinion, these extracts are consistent with the financial statements for the year ended 31 December 1993 set out on pages 30 to 49.

KPMG Stokes Kennedy Crowley
Chartered Accountants
Registered Auditors
1 Stokes Place
St. Stephen's Green
Dublin 2

8 March 1994

ESB Input to Ireland's Economy

	1989 £m	*1990* £m	*1991* £m	*1992* £m	***1993*** **£m**
Fuel: Natural Gas, Peat, Native Coal	133	141	132	124	**129**
Irish Suppliers of Goods and Services including Capital Work	138	175	185	182	**189**
Rates	27	27	29	31	**32**
Payroll Costs including Capital Projects	224	235	258	284	**301**
Interest paid to Irish Lenders & Stockholders	25	26	25	25	**24**
TOTAL	547	604	629	646	**675**

Data Summary

		1992		***1993***
Financial Outcome – Surplus /(Deficit)		£1.9m		**(£20.8m)**
Income		£915m		**£943m**
Assets in Commission (before Depreciation)		£2,446m		**£2,572m**
Sales (Million Units)		13,104		**13,439**
Customers		1,326,547		**1,348,196**
Group average number of employees in year		10,946		**11,093**
Operations	8,528		8,456	
New Works	1,593		1,643	
Apprentices	219		223	
Electricity Service		10,340		**10,322**
Consultancy/Secondment		426		**558**
Salmara		180		**213**
Group Payroll				
Pay		£230m		**£245m**
ESB Contribution to Pension Fund/ PRSI and Expenses		£55m		**£58m**

5 Year Summary - Financial Statistics

	1989	*1990*	*1991*	*1992*	***1993***
FINANCIAL STATISTICS	£M	£M	£M	£M	**£M**
Operations:					
Income	789	819	860	915	**943**
Expenditure	777	818	856	913	**964**
Surplus/(Deficit)	12	1	4	2	**(21)**
Cumulative Deficit	(54)	(53)	(49)	(47)	**(68)**
FUNDING CAPITAL DEVELOPMENT PROGRAMME:					
Requirements:					
Capital Expenditure	85	92	116	140	**170**
Working Capital Movement (excl. long-term debt repayable within 12 months)	13	62	23	(3)	**(9)**
	98	154	139	137	**161**
Financing:					
Internal Resources (after debt repayment)	40	53	31	20	-
Borrowings	58	101	108	117	**161**
	98	154	139	137	**161**
SOURCES AND EMPLOYMENT OF CAPITAL:					
Sources:					
* Debt Liabilities Outstanding	1,004	1,007	976	916	**938**
Reserves	638	700	745	825	**884**
	1,642	1,707	1,721	1,741	**1,822**
Employment:					
Net Fixed Assets	1,511	1,512	1,513	1531	**1,581**
Capital Work-in-Progress	31	39	63	88	**101**
Net Current Assets (excl. long-term debt repayable within 12 months) and Provisions	100	156	145	122	**140**
	1,642	1,707	1,721	1741	**1,822**
* Inclusive of Cumulative Currency (Loss)	(74)	(76)	(48)	(30)	**(74)**

5 Year Summary - Key Ratios

	1989	*1990*	*1991*	*1992*	*1993*
Return on Average Net Assets (%)	9.2	8.0	7.7	8.3	7.0
Debt/Net Assets (%)	61.0	59.0	57.0	53.0	52.0
Current Ratio (Times)	2.1	2.3	2.5	2.5	2.4
Interest Cover (Times) (excl. interest Capitalised)	1.8	1.6	1.6	1.9	1.7
Foreign/Total Borrowings (%)	74.0	68.0	68.0	66.0	48.0
Internal Resources/ Capital Expenditure (%)	47.0	58.0	26.0	14.0	-
Average Electricity Credit Period (Days from Date Billed)	23.4	21.5	23.4	19.4	18.7

Annual Capital Expenditure (£m)

Year	Distribution	Transmission	Generation	General
1989	54	5	12	14
1990	62	2	12	16
1991	70	2	24	20
1992	84	4	34	18
1993	106	8	35	21

Analysis of Cumulative Investment in Fixed Assets (%)

	1984/ 1985	*1985/ 1986*	*1986 (9 mths)*	*1987*	*1988*	*1989*	*1990*	*1991*	*1992*	*1993*
Distribution	35	27	25	24	25	26	31	32	33	34
Generation	42	53	54	56	54	53	51	50	49	48
Transmission	15	14	15	15	15	14	11	11	10	10
General	8	6	6	5	6	7	7	7	8	8

Summarised Statement of Borrowings (Parent) - including leases

	Balance Outstanding 31st Dec. 1992	*Borrowed during Year*	*Redeemed during Year*	*Adjustment for Currency changes*	*Balance Outstanding 31st Dec. 1993*
	£000's	*£000's*	*£000's*	*£000's*	*£000's*
Total - Irish Pound Borrowings	192,805	85,000	(65,476)	-	212,329
Total - Foreign Borrowings	750,736	93,341	(166,437)	58,062	735,702
Total - All Borrowings	943,541	178,341	(231,913)	58,062	948,031

Currency and Repayment Profile

	Repayable within 1 year	*Repayable within 2 to 5 years*	*Repayable within 6 to 10 yrs*	*Repayable after 10 yrs*	*Total*	*Currency as % of Total Borrowings*
	£000's	*£000's*	*£000's*	*£000's*	*£000's*	*%*
Irish Pounds	45,310	179,428	211,925	50,978	487,641	51
European						
Swiss Francs	19,090	112,382	25,875	20,657	178,004	19
French Francs	1,046	9,443	56,696	85	67,270	7
ECU's	2,145	25,357	37,196	2,031	66,729	7
Danish Kroner	-	-	46,361	-	46,361	5
Luxembourg Francs	2,837	25,507	6,293	-	34,637	4
Sterling	6	-	24,406	-	24,412	3
Dutch Guilders	726	11,380	10,551	-	22,657	2
Deutsche Marks	877	14,884	1,980	-	17,741	2
Miscellaneous	251	1,177	1,151	-	2,579	-
	72,288	379,558	422,434	73,751	948,031	
Repayment Profile	7%	40%	45%	8%	100%	

Where debt swaps/hedges apply, Irish Pound values are based on currency liability under the swap/hedge arrangement.

Detailed Statement of Borrowings (Parent) - including leases

Amount Borrowed		*Year(s) of Borrowing*		*Year(s) of Maturity*	*Balance Outstanding 31 Dec. 1993*	
000's			**Irish Pound Borrowings**		**000's**	
IEP	12,000	1972	Stock -9%	1992/95	**IEP**	**2,697**
IEP	20,000	1983	Stock - 13.5%	2006/08	**IEP**	**19,778**
IEP	30,000	1988	Stock - 8.25%	2003	**IEP**	**30,000**
IEP	30,000	1993	Stock - 8.25%	2013	**IEP**	**30,000**
IEP	155,070	1984 - 1993	Domestic Financial Institutions	1989/2002	**IEP**	**117,854**
IEP	12,000	1990	European Investment Bank	1995/2004	**IEP**	**12,000**
			Foreign Currency Borrowings			
		1978/93	European Investment Bank	1983/2008		
USD	106,666*		- United States Dollars		**USD**	**69,777**
DEM	270,215		- Deutsche Marks		**DEM**	**124,821**
NLG	148,894		- Netherlands Guilders		**NLG**	**63,822**
CHF	361,576		- Swiss Francs		**CHF**	**199,048**
JPY	10,205,000*		- Japanese Yen		**JPY**	**6,450,930**
GBP	20,185*		- Sterling		**GBP**	**19,633**
XEU	82,641		- European Currency Unit		**XEU**	**67,650**
LEC	2,761,636		- Luxembourg Francs		**LEC**	**1,903,550**
ITL	8,145,000		- Italian Lire		**ITL**	**6,206,490**
FRF	149,600		- French Francs		**FRF**	**120,368**
USD	14,500*	1969/73	I.B.R.D. Washington	1974/94	**USD**	**625**
FRF	376,961	1973/85	French Banks	1977/2004	**FRF**	**57,134**
CHF	125,625	1981/85	Swiss Export Agency	1986/97	**CHF**	**35,622**
CHF	110,000*	1987	Swiss Banks	1995	**CHF**	**110,000**
JPY	3,400,000*	1988	Japanese Bank	1998	**JPY**	**3,400,000**
USD	25,000*	1988	Middle East Bank	1994	**USD**	**25,000**
USD	42,989*	1988	Banking Syndicate	1995	**USD**	**42,989**
CHF	37,800	1988	German Bank	1995	**CHF**	**37,800**
JPY	2,500,000*	1989	Japanese Bank	1999	**JPY**	**2,500,000**
XEU	54,537*	1989/93	U.S. Insurance Co.	1999	**XEU**	**54,537**
XEU	23,793*	1990/93	U.S. Insurance Co./Swiss Bank	2001	**XEU**	**23,793**
JPY	2,600,000*	1991	Japanese Bank	1996	**JPY**	**2,600,000**
FRF	180,000*	1991	German Bank	2001	**FRF**	**180,000**
JPY	3,000,000*	1992	Japanese Insurance Co.	2002	**JPY**	**3,000,000**
NLG	100,000*	1992	Dutch Bank	2002	**NLG**	**100,000**
JPY	6,000,000*	1993	Japanese Insurance Co.	2003	**JPY**	**6,000,000**
DEM	24,161*	1993	Austrian Bank	2000	**DEM**	**24,161**

*Currency debt swaps contracts in place.

Analysis of Units Sold

Class of Supply	***1993 (Millions)***	*1992 (Millions)*	*Increase (Millions)*	*% Increase*
Domestic	**5,147.9**	5,068.2	79.7	1.6
Commercial	**3,314.0**	3,238.7	75.3	2.3
Industrial	**4,976.8**	4,797.0	179.8	3.7
TOTAL	**13,438.7**	13,103.9	334.8	2.6

Note: 1992 was a 53 week accounting year. 1993 was a 52 week accounting year. If the sales for 1993 are compared with those for 52 weeks of 1992 the rate of increase in units sold was 4.4%.

Growth of ESB 1930-1993

Year	*Units sold to Customers Millions*	*Revenue from Electricity sales £000*	*Average price per unit sold Pence*	*Customers Total*
1929/30	43.2	478	1.108	48,606
1939/40	318.6	1,946	0.612	172,545
1949/50	626.1	4,774	0.763	310,639
1959/60	1,692.2	14,724	0.871	610,946
1969/70	4,411.6	39,400	0.892	786,500
1979/80	8,560.3	300,024	3.505	1,043,428
1985/86	9,787.8	757,172	7.736	1,194,765
1990	11,768.0	756,074	6.425	1,278,870
1991	12,370.1	785,205	6.348	1,302,061
1992	13,103.9	826,464	6.307	1,326,547
1993	13,438.7	842,416	6.269	1,348,196

Distribution System Trends

	*1989**	*1990*	*1991*	*1992*	*1993*
Networks Installed (Km)	682	653	965	1,019	1,025
Transformer Capacity (kVA)	169,789	140,755	250,289	471,930	447,821
New Dwellings Connected	17,944	19,482	19,594	21,624	20,864
Capital Expenditure (£000)	53,760	62,420	69,581	84,105	105,758

*Note: * excludes 110kV network*

Network Statistics

	Installed in 1993	*In Service at 31/12/1993*
Overhead Lines (Km)	889	79,624
Underground Cables (Km)	136	3,582
Substations - Number	2,804	155,108
- Capacity (MVA)	448	14,049

Capital Expenditure

Capital Expenditure on the Distribution Network in 1993 was £105.7m, and the work programmes included:

- The installation of networks to provide supply to new customers.
- Reinforcement of existing network to cater for the growth in demand and to improve efficiency.
- Enhancements to networks to meet quality standards (note; significant backlog in sub-standard supplies).
- Replacement of network assets which have reached the end of their life.

Transmission System Trends

	1989	*1990*	*1991*	*1992*	*1993*
Networks Installed (Km)	2,083	2,083	2,083	2,083	2,083
Transformer Capacity (kVA)	11,186,500	11,186,500	11,186,500	11,186,500	11,436,500

Network Statistics

	Installed in 1993	*In Service at 31/12/1993*
Overhead Lines (Km)	-	2,018
Underground Cables (Km)	-	65
Substations - Number	-	21
- Capacity (kVA)	250,000	11,436,500

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