

POWERGEN INVESTMENTS LIMITED

(formerly Ergon Properties Limited)

ACCOUNTS

for the year ended 2 April 1995



Registered No: 2568222

POWERGEN INVESTMENTS LIMITED
(formerly Ergon Properties Limited)

Report of the directors for the year ended
2 April 1995

The directors submit the audited accounts of the Company for the year ended 2 April 1995.

Review of activities

PowerGen Investments Limited is an investment company. It actively manages investments and will continue to make investments in the future. It is also involved in general financing activities on behalf of the PowerGen Group. During the year the Company redeemed a £1,000 investment in a British Government Security during the year and further invested £1,000 in another such security. It also acquired a 50% investment in TPG Wind Limited, PowerGen Leasing Limited and Detailfine Limited and made a £40 million investment in options over Government gilts.

Profit and dividend

The directors do not recommend a dividend for the year ended 2 April 1995 (1994: £nil). The retained profit for the year amounted to £763,572 (1994: £70).

Fixed assets

Details of fixed assets are included in note 5 on page 9.

Directors

The directors of the Company, both of whom served throughout the year, were Mr J L Rennocks and Mr D J Jackson.

Directors' interests in the shares of the Company and the Group

The Company

During the year, the directors had no interests in the shares of the Company.

The Group

The directors had the following interests in the ordinary shares of PowerGen plc, the Company's ultimate holding company, at 2 April 1995:

	Beneficial Holdings in Ordinary Shares		Ordinary Shares			
	3 April 1994	2 April 1995	Under option 3 April 1994	Exercised	Granted	Under option 2 April 1995
Mr D J Jackson	2,109	36,293	125,097	104,000	11,500	32,597

POWERGEN INVESTMENTS LIMITED
(formerly Ergon Properties Limited)

Report of the directors for the year ended
2 April 1995 (cont'd)

The interests of Mr J L Rennocks are stated in Note 4 to the consolidated financial statements of PowerGen plc for the year ended 2 April 1995. No director had any interest (other than as a nominee on behalf of PowerGen plc) in the shares of any other member of the Group.

Auditors

On 13 March 1992, the Company passed an elective resolution dispensing with the requirement to appoint auditors annually. Coopers & Lybrand therefore continue in office.

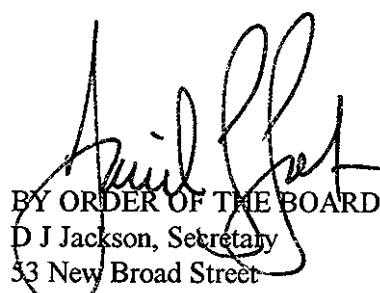
Change of Name

The name of the Company was changed from Ergon Properties Limited to PowerGen Investments Limited on 13 April 1994.

Post Balance Sheet Events

On 3 April 1995 the Company acquired from PowerGen plc 5,808,067 shares in PowerGen Haverigg Limited at a nominal value of £1 each.

On 26 May 1995 the Company transferred its holding in TPG Wind Limited to PowerGen Haverigg Limited and acquired a further 500 shares in PowerGen Haverigg Limited at a nominal value of £1 each.


BY ORDER OF THE BOARD
D J Jackson, Secretary
33 New Broad Street
London
EC2M 1JJ

19 July 1995

POWERGEN INVESTMENTS LIMITED
(formerly Ergon Properties Limited)

Directors' Statement of Responsibility

The directors:

- acknowledge the legal requirement for the preparation of financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit and loss for that period;
- acknowledge their responsibility for maintaining adequate accounting records, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- confirm that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the financial statements;
- confirm that applicable accounting standards have been followed;
- confirm that the financial statements have been prepared on a going concern basis.

POWERGEN INVESTMENTS LIMITED
(formerly Ergon Properties Limited)

Report of the Auditors to the Members of PowerGen Investments Limited

We have audited the financial statements on pages 6 to 13.

Respective responsibilities of directors and auditors

As described on page 4, the Company's directors 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 to you.

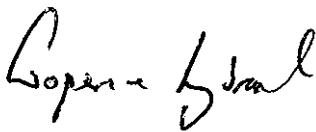
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company at 2 April 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand
Chartered Accountants and Registered Auditors
London

19/7 1995

POWERGEN INVESTMENTS LIMITED
(formerly Ergon Properties Limited)

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 2 APRIL 1995

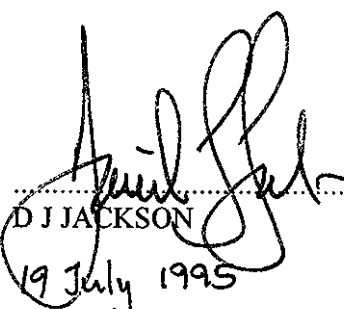
	Note	Year ended 2 April 1995 £	Year ended 3 April 1994 £
Administration costs	2	(211,500)	-
Income from interests in associated undertakings		112,000	-
Net interest receivable	3	<u>863,101</u>	<u>101</u>
Profit on ordinary activities before taxation - continuing operations		763,601	101
Tax on profit on ordinary activities	4	<u>(29)</u>	<u>(31)</u>
Retained profit for year	12	<u><u>763,572</u></u>	<u><u>70</u></u>

The Company has no recognised gains or losses in 1995 or 1994 other than the profit for the year and therefore no statement of total recognised gains or losses is presented.

POWERGEN INVESTMENTS LIMITED
(formerly Ergon Properties Limited)

BALANCE SHEET - AS AT 2 APRIL 1995

	Note	2 April 1995 £	3 April 1994 £
Fixed assets			
Investments	5	2,503,502	-
Current assets			
Debtors	6	975,034	14
Investments	7	40,001,027	1,009
		<u>43,479,563</u>	<u>1,023</u>
Creditors: amounts falling due within one year	8	-	(857)
Net current assets		<u>43,479,563</u>	<u>166</u>
Creditors: amount falling due after more than one year	9	(2,715,323)	-
Provisions for liabilities and charges	10	(5)	(3)
Net assets		<u><u>40,764,235</u></u>	<u><u>163</u></u>
Capital and reserves			
Called up share capital	11	40,000,502	2
Profit and loss account	12	763,733	161
Equity shareholders' funds		<u><u>40,764,235</u></u>	<u><u>163</u></u>


 Director
 D J JACKSON
 19 July 1995

POWERGEN INVESTMENTS LIMITED
(formerly Ergon Properties Limited)

Notes to the accounts - 2 April 1995

1 Accounting policies

The accounts are prepared under the historical cost convention and in accordance with applicable UK Accounting Standards.

Fixed Asset Investments - Fixed asset investments comprise of interests in and loans to associated company and other investments held on a continuing basis. They are stated at cost less any amounts written off.

Current Asset Investments - Investments are stated at cost as adjusted for amortisation where relevant. Where a listed investment is being held to maturity, any gain or loss arising from the difference between purchase cost and the maturity value is amortised through the profit and loss account on a straight line basis over the period from the date of purchase to the maturity date.

Deferred taxation - Deferred taxation arises in respect of items where there is a timing difference between their treatment for accounting purposes and their treatment for taxation purposes. Provision for deferred taxation, using the liability method, is made to the extent that it is probable that a liability or asset will crystallise in the foreseeable future.

Cash flow statement - The Company is a wholly owned subsidiary of PowerGen plc. The cash flows of the Company are included in the consolidated cash flow statement of PowerGen plc. Consequently, the Company is exempt under the terms of Financial Reporting Standard Number 1 from publishing a cash flow statement.

2 Operating costs

The directors received no emoluments from the Company during the year (1994: £nil).

Auditors' remuneration is borne by the ultimate holding company, PowerGen plc.

POWERGEN INVESTMENTS LIMITED
(formerly Ergon Properties Limited)

Notes to the accounts - 2 April 1995 (cont'd)

3 Net interest receivable

	Year ended 2 April 1995 £	Year ended 3 April 1994 £
Interest receivable	863,114	124
Amortisation of loss on redemption	(13)	(23)
	863,101	101

4 Tax on profit on ordinary activities

	Year ended 2 April 1995 £	Year ended 3 April 1994 £
UK Corporation tax at 25% (1994: 25%)		
Deferred	2	(1)
Tax credits on franked investment income	27	32
	29	31

5 Fixed asset investments

	<u>Interests in £1 ordinary shares</u>		<u>Loans</u>	Total
	Fellow group undertakings £	Associated undertaking £	Associated undertaking £	£
Cost and net book value				
At 4 April 1994	-	-	-	-
Additions	2	500	2,503,000	2,503,502
	2	500	2,503,000	2,503,502

Fellow group undertakings

The Company has a £1 holding in the allotted ordinary shares of two companies, both of which are registered in England and Wales.

POWERGEN INVESTMENTS LIMITED
(formerly Ergon Properties Limited)

Notes to the accounts - 2 April 1995 (cont'd)

Associated Undertaking

Details of the Company's investment in the associated undertaking is as follows:

	Accounting reference date	Country of incorporation or registration	Shares held	Percentage of capital held directly by the Company
TPG Wind Ltd	31 March	England & Wales	500 ordinary shares	50%

6 Debtors

	2 April 1995 £	3 April 1994 £
Amounts owed by parent company	112,000	-
Accrued interest income	863,034	14
	<u>975,034</u>	<u>14</u>

7 Current Asset Investments

	2 April 1995 £	3 April 1994 £
Gilt option investments	40,000,000	-
£1,000 Treasury 9.5%		
1999 Government Gilt	1,027	-
£1,000 Exchequer 12.5%		
1994 Government Gilt	-	1,009
	<u>40,001,027</u>	<u>1,009</u>

The market value of the investments at 2 April 1995 was £40,001,036.

POWERGEN INVESTMENTS LIMITED
(formerly Ergon Properties Limited)

Notes to the accounts - 2 April 1995 (cont'd)

8 Creditors: Amount falling due within one year

	2 April 1995	3 April 1994
	£	£
Amounts owed to parent company	-	857

9 Creditors: Amount falling due after more than one year

	2 April 1995	3 April 1994
	£	£
Amounts owed to parent company	2,715,323	-

The amounts owed to the parent company are non-interest bearing with no fixed repayment date.

10 Provisions for liabilities and charges

Deferred taxation provided in the accounts, which represents the full potential liability, is as follows:

	2 April 1995	3 April 1994
	£	£
Tax effect of short term timing differences	5	3

The movement on the provision for deferred taxation is as follows:

	£
At 3 April 1994	3
Transferred to the profit and loss account	2
At 2 April 1995	5

POWERGEN INVESTMENTS LIMITED
(formerly Ergon Properties Limited)

Notes to the accounts - 2 April 1995 (cont'd)

11 Called up share capital

	2 April 1995 £	3 April 1994 £
Authorised		
200,000,000 ordinary shares of £1 each	200,000,000	500,000
40,000,000 non-cumulative 5% redeemable preference shares of £1 each	<u>40,000,000</u>	<u>-</u>
	<u>240,000,000</u>	<u>500,000</u>
Allotted, called up and fully paid		
502 ordinary shares of £1 each	502	2
40,000,000 non-cumulative 5% redeemable preference shares of £1 each	<u>40,000,000</u>	<u>-</u>
	<u>40,000,502</u>	<u>2</u>

During the year, 500 ordinary shares were issued for cash. On 10 May and 3 August 1994 resolutions were passed to increase the authorised share capital to 20,000,000 and 200,000,000 respectively. In addition a resolution was passed on 30 March 1995 to authorise the issue to PowerGen plc of 40,000,000 £1 non-cumulative 5% redeemable preference shares.

12 Retained profit for year

The reserves at 2 April 1995 comprise the Profit and Loss Account

The movement on the Profit and Loss Account is as follows:

	£
At 3 April 1994	161
Retained profit for the year	<u>763,572</u>
At 2 April 1995	<u>763,733</u>

POWERGEN INVESTMENTS LIMITED
(formerly Ergon Properties Limited)

Notes to the accounts - 2 April 1995 (cont'd)

13. Post balance sheet events

On 3 April 1995 the Company acquired from PowerGen plc 5,808,067 shares in PowerGen Haverigg Limited at a nominal value of £1 each.

On 26 May 1995 the company transferred its holding in TPG Wind Limited to PowerGen Haverigg Limited and acquired a further 500 shares in PowerGen Haverigg Limited at a nominal value of £1 each.

14. Ultimate holding company

The Company is a wholly owned subsidiary of PowerGen plc, a company registered in England and Wales. Copies of PowerGen plc's accounts are available from the Company Secretary at the following address:

D J Jackson
Company Secretary
PowerGen plc
53 New Broad Street
London
EC2M 1JJ