

BG ENERGY FINANCE LIMITED

DIRECTORS' REPORT AND ACCOUNTS

YEAR ENDED 31ST DECEMBER 1995

Company Registered Number: 2629371



BG ENERGY FINANCE LIMITED

REPORT AND ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1995

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BG ENERGY FINANCE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 1995

The Directors submit their report and accounts of the Company for the year to 31st December 1995.

1. PRINCIPAL ACTIVITIES

The Company did not trade during the year and is not expected to commence trade in the near future.

2. DIRECTORS

The following served as Directors of the Company during the year:

J C Earl	Resigned	14-12-95
J M Kent	Resigned	14-12-95
E P Lanigan	Resigned	14-12-95
A Garrihy	Appointed	14-12-95
M Edwards	Appointed	14-12-95

3. DIRECTORS' INTERESTS

None of the Directors had any material interest, at any time during the year, in any contract or arrangement made by the Company which is significant to the business of the Company.

At no time did any Director still holding office on 31st December 1995 have any beneficial interest in the shares of the Company or any company within the British Gas Group except for interests in the shares of the parent company, British Gas plc, as stated below:

Beneficial Holdings

	<u>31-12-94</u>	<u>31-12-95</u>
J C Earl	524	927
J M Kent	2,404	2,378
E P Lanigan	384	894
A Garrihy*	633	633
M Edwards*	9,211	9,211

* on appointment

BG ENERGY FINANCE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 1995 (continued)

Savings Related Share Option Scheme

	<u>31-12-94</u>	<u>Granted</u>	<u>Exercised</u>	<u>31-12-95</u>
J C Earl	8,397			8,397
J M Kent	9,336			9,336
E P Lanigan	3,296	1,358		4,654
A Garrihy	Nil			Nil
M Edwards*	7,861			7,861

* on appointment

Executive Share Option Scheme

	<u>31-12-94</u>	<u>Granted</u>	<u>Exercised</u>	<u>31-12-95</u>
J M Kent	20,279			20,279
E P Lanigan	18,316			18,316

Long-Term Incentive Plan

	<u>31-12-94</u>	<u>Granted</u>	<u>Exercised</u>	<u>31-12-95</u>
J M Kent	Nil	7,611		7,611*
E P Lanigan	Nil	7,142		7,142*

* notional allocations only

All holdings relate to Ordinary Shares of 25p each.

None of the Directors exercised share options during the year.

All options were granted under the terms of the ultimate parent company's Savings Related Share Option Scheme and Executive Share Option Scheme, details of which are given in that company's annual report and accounts.

All Directors' interests are beneficially held.

BG ENERGY FINANCE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 1995 (continued)

4. DIRECTORS' INSURANCE

The ultimate parent company has maintained insurance premiums to cover Directors and other officers against any liabilities in relation to the Company.

5. DIVIDEND

The Directors do not propose to declare a dividend for the year ended 31st December 1995 (1994 nil).

6. RESERVES

There have been no movements in reserves during the year.

7. AUDITORS

As the Company is dormant within the meaning of Section 250 of the Companies Act 1985, a special resolution was passed at an Extraordinary General Meeting held on 14th December 1995 whereby the company became exempt from its obligation to appoint auditors as required by Section 384 of that Act.

By Order of the Board

A handwritten signature in black ink, appearing to read 'A. Poole', with a small dot at the end.

Andrew Poole
Secretary

Date: 1st October 1996

Registered Office:
152 Grosvenor Road
London V 3JLP 1JP

Registered in England
No 2629371

BG ENERGY FINANCE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1995

The Company has not traded during the financial year and has received no income and incurred no expenditure. Consequently, during the year the Company has made neither a profit nor a loss (1994 nil) nor were there any recognised gains and losses during the year (1994 nil).

The notes on page 6 form part of these accounts.

BG ENERGY FINANCE LIMITED

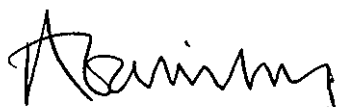
BALANCE SHEET AS AT 31ST DECEMBER 1995

	<u>Notes</u>	<u>31.12.95</u>	<u>31.12.94</u>
		£	£
CURRENT ASSETS			
Debtors (amount falling due within one year)	4	1,000,002 = =	1,000,002
CAPITAL AND RESERVES			
Called up share capital	5	1,000,002	1,000,002

The Company was dormant (within the meaning of Section 250 of the Companies Act 1985) throughout the accounting period ending on the date of this balance sheet.

Approved by the Board on: 1st October 1996

Director



Date:

1/10/96 .

The notes on page 6 form part of these accounts.

BG ENERGY FINANCE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1995

1. **OWNERSHIP**

BG Energy Finance Limited is a direct wholly owned subsidiary undertaking of British Gas plc, which is registered in England and Wales. British Gas plc is the only company to consolidate the accounts of this Company. Copies of the parent company's report and accounts can be obtained from British Gas plc, The Adelphi, 1-11 John Adam Street, London WC2N 6HT.

2. **BASIS OF ACCOUNTING**

The accounts have been prepared under the historical cost accounting convention.

3. **DIRECTORS' EMOLUMENTS AND EMPLOYEES**

No director received emoluments in respect of his services to the Company during the year (1994 nil). The Company had no employees during the year (1994 - nil).

4.	<u>DEBTORS</u> (amount falling due within one year).	<u>31.12.95</u> £	<u>31.12.94</u> £
	Amounts owed by group undertakings	1,000,002 ===	1,000,002 ===
5.	<u>SHARE CAPITAL</u>	<u>31.12.95</u> £	<u>31.12.94</u> £
	Authorised: 20,000,000 ordinary shares of £1 each (1994 20,000,000)	20,000,000 ===	20,000,000 ===
	Allotted issued and fully paid 1,000,002 ordinary shares of £1 each (1994 1,000,002)	1,000,002 ===	1,000,002 ===