

Company Registered Number: 2629371

BG ENERGY FINANCE LIMITED

DIRECTORS' REPORT AND ACCOUNTS

31ST DECEMBER 1994



BG ENERGY FINANCE LIMITED

Report and Accounts for the year ended 31 December 1994:

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BG ENERGY FINANCE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1994

The Directors submit their report and accounts of the Company for the year to 31 December 1994.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Company as at the end of the financial year and of the profit or loss for the financial year.

The Directors consider that in preparing the financial statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates and that all accounting standards which they consider to be applicable have been followed.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enables them to ensure that the financial statements comply with the Companies Act 1985.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors, having prepared the financial statements, have requested the auditors to take whatever steps and undertake whatever inspections they consider to be appropriate for the purpose of enabling them to give their audit report.

1. PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The principal activity of the Company is to provide or assist in providing finance in support of the installation of combined heat and power schemes. The business of the Company was sold to Petbow Co-generation Limited on 30 December 1994 and the Company ceased to trade on that date.

2. DIRECTORS

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

	Appointed	Resigned
P. Feakin	15 July 1991	
P.H. Breedyk	15 July 1991	18 May 1994
G.N. Thackray (alternate)	15 July 1991	
N.C. Henderson (Chairman)	1 Sept 1991	18 May 1994
K.F. Nelson (alternate)	29 Sept 1992	18 May 1994

	Appointed	Resigned
R.J. Brown	16 Mar 1992	11 May 1994
E.P. Lanigan	18 May 1994	
J. Earl	11 May 1994	
J.M. Kent	18 May 1994	

3. **DIRECTORS' INTERESTS**

At no time during the period did any Director still holding office on 31 December 1994 have any beneficial interest in the shares of the Company or any company within the Group except for the interests in the shares of the parent company, British Gas plc, as stated below:

Beneficial Holdings		
	1 January 1994*	31 December 1994
P. Feakin	1,779	1,779
E.P. Lanigan	384	384
J. Kent	2,778	2,404
G. Thackray	2,463	2,022
J. Earl	524	524

* Or later date of appointment

Options to purchase fully paid ordinary shares were granted under the Savings Related and Executive Share Option Schemes as follows:

Savings Related Option Scheme				
	At 1 January 1994*	Granted	Exercised	At 31 December 1994
P. Feakin	9,708	-	-	9,708
E.P. Lanigan	3,296	-	-	3,296
J. Kent	9,336	-	-	9,336
J. Earl	8,397	-	-	8,397
G. Thackray	9,621	814	1,469	8,966

* or later date of appointment.

The options were exercised at £1.47 per ordinary share

Executive Option Scheme				
	At 1 January 1994*	Granted	Exercised	At 31 December 1994
P. Feakin	-	25,643	-	25,643
E.P. Lanigan	-	18,316	-	18,316
J. Kent	-	20,279	-	20,279
G. Thackray	-	17,172	-	17,172

* or later date of appointment

All options were granted under the terms of the parent company's Savings Related Share Option Scheme or Executive Share Option Scheme, details of which are given in that company's report and accounts for the year ended 31 December 1994.

4. DIRECTORS' INSURANCE

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

5. RESULTS AND DIVIDENDS

The loss for the year after taxation was £588. The Directors do not recommend a dividend for the year ended 31 December 1994.

6. AUDITORS

The company ceased to trade on 31 December 1994 and therefore the auditors will not be put forward for re-appointment at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD



Sandra Scott
Secretary 16 /10 1995

Registered Office:

Rivermill House,
152 Grosvenor Road,
London, SW1V 3JL

BG ENERGY FINANCE LIMITED
FOR THE YEAR ENDED 31 DECEMBER 1994

AUDITORS' REPORT

To the members of BG Energy Finance Limited

We have audited the financial statements on page (5) to (8) which have been prepared under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1, 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 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 the Company's affairs at 31 December 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Prue Hutchings
Chartered Accountants
and Registered Auditors

Southwark Towers,
32 London Bridge Street,
London, SE1 9SY

16 October 1995

BG ENERGY FINANCE LIMITED

PROFIT AND LOSS ACCOUNT YEAR ENDED 31 DECEMBER 1994

	NOTES	As at 31 December 1994 £	As at 31 December 1993 £
Turnover	3	162	1,677
Administration expenses		<u>(797)</u>	<u>(800)</u>
Operating profit before taxation	4	(635)	877
Taxation	7	<u>47</u>	<u>(289)</u>
Profit retained for the financial period		<u>(588)</u>	<u>588</u>

The above results are from discontinued operations.

During the year the Company had no recognised gains or losses other than the above.

The accompanying notes on pages 7 and 8 form part of these accounts.


BG ENERGY FINANCE LIMITED

(REG NO 2629371)

BALANCE SHEET 31 DECEMBER 1994

	Notes	As at 31 December 1994 £	As at 31 December 1993 £
Current Assets			
Debtors	5	1,000,002	1,001,679
Creditors	8	<u>-</u>	<u>(1,089)</u>
		<u>1,000,002</u>	<u>1,000,590</u>
Capital and Reserves			
Called up Share Capital	6	1,000,002	1,000,002
Profit and Loss Account	9	<u>-</u>	<u>588</u>
		<u>1,000,002</u>	<u>1,000,590</u>

Director



Approved by the Board on 16 October 1995

The accompanying notes on pages 7 and 8 form part of these accounts.

BG ENERGY FINANCE LIMITED

NOTES TO THE ACCOUNTS

1. OWNERSHIP

BG Energy Finance Limited is a direct wholly owned subsidiary undertaking of British Gas plc, a company registered in England and Wales. Copies of the parent company's report and accounts can be obtained from British Gas plc, Rivermill House, Grosvenor Road, London, SW1V 3JL.

2. BASIS OF ACCOUNTING

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

3. TURNOVER

Turnover represents commission income.

4. OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The chairman and Directors received no emoluments in respect of their service to the Company during the year. The Company had no employees during the year.

The auditors' remuneration was £500.

5. DEBTORS

	1994 £	1993 £
Trade Debtors	-	1,677
Amounts owed by group undertakings	<u>1,000,002</u>	<u>1,000,002</u>
	<u>1,000,002</u>	<u>1,001,679</u>

6. SHARE CAPITAL

	1994 £	1993 £
Authorised:		
20,000,000 ordinary shares of £1 each	20,000,000	20,000,000
Allotted, issued and fully paid		
1,000,002 ordinary shares of £1 each	1,000,002	1,000,002

7. **TAXATION**

	1994	1993
	£	£
UK Corporation Tax at 33%	<u>(47)</u>	<u>289</u>

The tax credit included in the accounts for 1994 relates to an over-provision for taxation in the previous accounting year. The company has incurred tax losses during the current year, which will be made available for relief to other group companies for no consideration.

8. **CREDITORS DUE WITHIN ONE YEAR**

	1994	1993
	£	£
Corporation Tax	-	289
Other Creditors	<u>-</u>	<u>800</u>
	<u>-</u>	<u>1,089</u>

9. **STATEMENT OF MOVEMENT IN SHAREHOLDERS' FUND**

	1994	1993
	£	£
(Loss) / Profit for the period	(588)	588
Opening Shareholders' Funds	<u>1,000,590</u>	<u>1,000,002</u>
Closing Shareholders' Funds	<u>1,000,002</u>	<u>1,000,590</u>