

**ACRE OIL (U.K.) LIMITED**

**DIRECTORS' REPORT AND ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 1994**

**Company Registered Number: 1272556**



**ACRE OIL (U.K.) LIMITED**

**DIRECTORS' REPORT AND ACCOUNTS FOR THE YEAR ENDED  
31 DECEMBER 1994**

<b>CONTENTS</b>	<b>PAGE</b>
DIRECTORS' REPORT	1 - 2
AUDITORS' REPORT	3
PROFIT AND LOSS ACCOUNT	4
BALANCE SHEET	5
NOTES TO THE ACCOUNTS	6 - 7

**ACRE OIL (U.K.) LIMITED****DIRECTORS' REPORT**

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

**PRINCIPAL ACTIVITIES**

The Company did not trade during the year and is not expected to recommence trading in the foreseeable future.

**DIRECTORS**

The following served as Directors during the year:-

J M Scantlebury (Chairman)  
P M Senior

**DIRECTORS' INTERESTS**

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

	<b><u>Beneficial Holdings</u></b>	
	<b><u>31 December 1994</u></b>	<b><u>31 December 1993</u></b>
P M Senior	695	695

All holdings relate to ordinary shares of 25p each.

	<b><u>Executive Share Option Scheme (i)</u></b>			
	<b><u>As at 31 Dec 1993</u></b>	<b><u>Granted</u></b>	<b><u>Exercised</u></b>	<b><u>As at 31 Dec 1994</u></b>
J M Scantlebury	-	25,829	-	25,829
P M Senior	-	19,329	-	19,329

(i) All options are granted under the terms of the ultimate parent company's Executive Share Option Scheme, details of which are given in that company's report and accounts.

**DIRECTORS' INSURANCE**

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

**ACRE OIL (U.K.) LIMITED****DIRECTORS' REPORT (continued)****FIXED ASSETS**

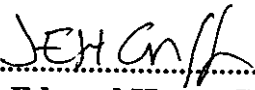
Movements in fixed assets are shown in note 4 to the accounts.

**DIVIDEND**

The Directors authorised the payment of an interim dividend for the year ended 31 December 1994 of £77,528.54 per ordinary share. (1993: Nil). An amount of £33,747,000 has been transferred from reserves.

By Order of the Board

**Registered Office:**  
**Rivermill House**  
**152 Grosvenor Road**  
**London SW1V 3JL**

.....  .....  
**John Edward Henry Griffin**  
**Secretary**

Date 20 October, 1995

**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 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 on pages 4 to 7, 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.

# **AUDITORS' REPORT TO THE SHAREHOLDERS OF ACRE OIL (U.K.) LIMITED**

We have audited the financial statements on pages 4 to 7 which have been prepared under the historical cost conventions and the accounting policies set out on page 6.

## **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 2, 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 the Company's affairs as 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.

SIGNED

*Price Waterhouse*

DATE

*20 October 1995*

**PRICE WATERHOUSE  
CHARTERED ACCOUNTANTS AND REGISTERED AUDITORS  
SOUTHWARK TOWERS  
32 LONDON BRIDGE STREET  
LONDON SE1 9SY**

**ACRE OIL (U.K.) LIMITED****PROFIT AND LOSS ACCOUNT**

		Year ended 31 December 1994 £000	Year ended 31 December 1993 £000
	Notes		
Loss on sale of fixed asset investments	4	—(1)	—
LOSS FOR THE FINANCIAL YEAR	7	(1)	-
Dividend	3 and 7	<u>(33,746)</u>	—
TRANSFER FROM RESERVES	7	<u><u>(33,747)</u></u>	<u>—</u>

There were no recognised gains or losses other than the loss for the financial year.

The notes on pages 6 to 7 form part of these accounts.

**ACRE OIL (U.K.) LIMITED****BALANCE SHEET**

	Notes	As at 31 December <u>1994</u> £000	As at 31 December <u>1993</u> £000
FIXED ASSETS			
Investments	4	-	1
CURRENT ASSETS			
Debtors	5	<u>440</u>	<u>34,186</u>
TOTAL ASSETS		<u>440</u>	<u>34,187</u>
CAPITAL & RESERVES			
Called-up share capital	6	440	440
Profit & Loss Account	7	<u>-</u>	<u>33,747</u>
SHAREHOLDERS' FUNDS	7	<u>440</u>	<u>34,187</u>

DIRECTOR .....

Approved by the Board on 20 OCTOBER 1995

The notes on pages 6 to 7 form part of these accounts.

**ACRE OIL (U.K.) LIMITED****NOTES TO THE ACCOUNTS****1. OWNERSHIP**

Acre Oil (U.K.) Limited is a wholly owned subsidiary undertaking of British Gas plc, a company registered in England and Wales. During the year the entire shareholding of the Company was transferred from Acre (U.K.) Limited to British Gas plc. Copies of the ultimate parent company's annual report and accounts can be obtained from British Gas plc, Rivermill House, 152 Grosvenor Road, London SW1V 3JL.

**2. BASIS OF ACCOUNTING**

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

**3. PROFIT AND LOSS ACCOUNT**

No Director received emoluments in respect of his services to the Company during the year (1993: Nil). The Company had no employees during the year (1993: Nil). Auditors' remuneration is borne by British Gas plc. The dividend for the year was paid to ordinary shareholders.

**4. INVESTMENTS**

During the year, the Company sold its investment in Dyas Petroleum (U.K.) Limited to British Gas plc for a consideration of £100.

	1994 £000	1993 £000
Shares in group undertaking	<u>=</u>	<u>1</u>

**5. DEBTORS**

	1994 £000	1993 £000
Amounts owed by group undertakings	<u>440</u>	<u>34,186</u>

**6. SHARE CAPITAL**

	1994 £	1993 £
Authorised:		
456,471,300 ordinary shares of 1p each	4,564,713	4,564,713
435,287 deferred shares of £1 each	<u>435,287</u>	<u>435,287</u>
Allotted, issued and fully paid:		
435,287 ordinary shares of 1p each	4,352	4,352
435,287 deferred shares of £1 each	<u>435,287</u>	<u>435,287</u>
	<u>439,639</u>	<u>439,639</u>



**ACRE OIL (U.K.) LIMITED****NOTES TO THE ACCOUNTS (continued)****6. SHARE CAPITAL (continued)**

The deferred shares shall entitle the holders thereof to the following rights, restrictions and provisions:

- (i) the holders of the deferred shares shall have no right as such to receive notice of or to attend or vote at any general meeting of the Company;
- (ii) the profits of the Company available for dividend and resolved to be distributed in respect of each financial year or other period of the Company shall be applied first in payment of dividends to the holders of the ordinary shares but so that the gross amount so paid in respect of each financial year or other period shall not exceed £10,000,000 per share and the balance (if any) of such profits shall be distributed by way of dividend as to fifty per cent. thereof to the holders of the ordinary shares and as to fifty per cent. thereof to the holders of the deferred shares;
- (iii) on a return of capital on a winding-up or otherwise, the surplus assets of the Company remaining after payment of its liabilities shall be applied first in repaying to the holders of the ordinary shares the amount paid up on such shares together with a premium of £10,000,000 per share and the balance of such assets shall be distributed among the holders of the ordinary shares and the deferred shares rateably according to the amount paid up on such shares.

**7. MOVEMENT IN SHAREHOLDERS' FUNDS**

	Share Capital	Profit & Loss Account	Total
	£000	£000	£000
Loss for the financial year	-	(1)	(1)
Dividends	-	(33,746)	(33,746)
	-	(33,747)	(33,747)
As at 1 January 1994	440	33,747	34,187
As at 31 December 1994	440	-	440