

BRITISH ELECTRICITY INTERNATIONAL (OS) LIMITED

Company No.: 1973568

**DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1996**



BRITISH ELECTRICITY INTERNATIONAL (OS) LIMITED

DIRECTORS' REPORT

The Directors present their report and unaudited accounts for the financial year ended 31 March 1996.

1. PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company did not trade during the period nor the preceding period and was classified as dormant.

2. DIRECTORS

The Directors who have served during the year are shown below:

Mr G H Hadley (resigned 06/11/96)

Mr P D Terry (resigned 05/10/95)

Mr R J Tivey (resigned 07/11/96)

None of the Directors had any interest in the shares of the Company.

The interests of the Directors in the shares of National Power PLC (the Company's ultimate holding company) at 31 March 1995 and 31 March 1996 were as follows:

	Ordinary Shares of 50p each		Options to subscribe for Ordinary Shares of 50p each	
	1996	1995	1996	1995
Mr G H Hadley	11,800	16,300	101,641	159,780
Mr P D Terry	2,498	2,498	17,108	97,242
Mr R J Tivey	5,131	5,013	45,831	40,045

Since the year end Mrs C M Springett and Mr A J Swanson were appointed as Directors with effect from 6 November 1996.

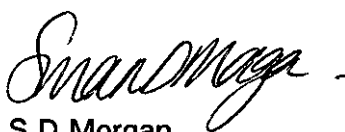
3. SHARE CAPITAL

The Company was incorporated on 23 December 1985 with an authorised share capital of 100 Ordinary Shares of £1 each, of which 100 Ordinary Shares of £1 each have been issued.

4. AUDITORS

The Company is a dormant company and as such has passed a resolution pursuant to s250 of the Companies Act 1985, removing it from the requirement to appoint Auditors.

By Order of the Board



S D Morgan
Company Secretary
30 January 1997

BRITISH ELECTRICITY INTERNATIONAL (OS) LIMITED

DIRECTORS' RESPONSIBILITIES

In respect of the preparation of the accounts Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing those accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts comply with the Companies Acts 1985. They have a general responsibility for taking such steps as are reasonably open to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

BRITISH ELECTRICITY INTERNATIONAL (OS) LIMITED

BALANCE SHEET

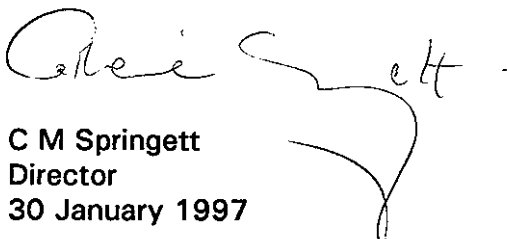
As at 31 March 1996

	Note	1996 £	1995 £
Current Assets			
Amount due from immediate holding company		<u>100</u>	<u>100</u>
Net assets employed		<u><u>100</u></u>	<u><u>100</u></u>
Called up share capital	3	<u>100</u>	<u>100</u>
Capital and reserves		<u><u>100</u></u>	<u><u>100</u></u>

The accounting policies and notes on page 4 form an integral part of these accounts.

The Company did not trade during the year ended 31 March 1996 and was classified as dormant within the meaning of s250 of the Companies Act 1985.

The accounts were approved by the Board of Directors on 30 January 1997.


C M Springett
Director
30 January 1997

BRITISH ELECTRICITY INTERNATIONAL (OS) LIMITED

NOTES TO THE ACCOUNTS

1. Accounting Policies

Basis of preparation

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

Profit and Loss Account

The Company has not traded during this financial year nor in the preceding financial year and consequently has made neither a profit nor a loss.

2. Directors' and Employees' Remuneration

The Directors received no remuneration during the financial year in respect of their services to the Company (1995: nil). No other persons were employed by the Company during the financial year (1995: nil).

3. Share Capital

	1996 £	1995 £
<i>Authorised:</i>		
100 Ordinary Shares of £1 each	100	100
	<hr/>	<hr/>
<i>Issued, allotted and fully paid:</i>		
100 Ordinary Shares of £1 each	100	100
	<hr/>	<hr/>

4. Holding Company

The Company's immediate holding company is British Electricity International Limited, a company incorporated and registered in England and Wales. The Company's ultimate holding company is National Power PLC a company incorporated and registered in England and Wales.

Copies of the accounts of National Power PLC may be obtained from the following address:

The Company Secretary, National Power PLC
Windmill Hill Business Park, Whitehill Way, Swindon, Wiltshire, SN5 6PB.