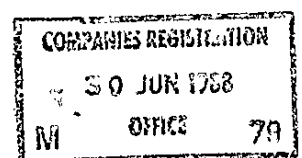


2051371

BRITISH ELECTRICITY INTERNATIONAL (SERVICES) LIMITED
(FORMERLY SANDYKIRK LIMITED)

FINANCIAL STATEMENTS

Period from 1 September 1986 to 31 March 1988



BRITISH ELECTRICITY INTERNATIONAL (SERVICES) LIMITED

Directors' Report

The Directors submit to the members their report together with the first audited financial statements for the period from 1 September 1986 to 31 March 1988 which, by prior agreement with the Registrar of Companies, have been prepared covering a period of nineteen months from the date of incorporation. The Company did not commence trading until November 1987. In subsequent years financial statements will be prepared annually in accordance with the accounting reference date of 31 March.

Directors

S.H. Davis (Appointed 1 September 1986, resigned 20 January 1987)
R. Futerman (Appointed 1 September 1986, resigned 20 January 1987)
D.G. Jefferies (Chairman) (Appointed 1 April 1987)
J. Anderson (Appointed 20 January 1987)
A.J. Havelock (Appointed 20 January 1987)

Principal Activities and Business Review

The Company's main function is the conduct of business overseas in the field of the generation, transmission and distribution of electricity, and in providing advice on and assistance with the commercial exploitation of the knowledge, skill and experience available within the undertakings of the Electricity Boards in the United Kingdom.

Significant Events

The Company was incorporated as Sandykirk Limited on 1 September 1986 and changed its name by special resolution on 20 January 1987 to British Electricity International (Services) Limited.

Results and Dividends

The Company's profit for the period, after taxation, was £190. The Directors recommend that no dividend is paid and that the whole of the profit be retained.

Fixed Assets

The Company shares the offices and services of its Parent Company, British Electricity International Limited (BEI). The Company has no title to any fixed assets in its own right.

Subsequent Events

Subsequent to the Balance Sheet date, the Company acquired a 50% holding in Electrical Power Services (Malaysia) Sdn. Bhd, a Joint Venture Company registered in Malaysia and jointly owned with Fluor-Daniel (Malaysia) Sdn. Bhd.

The cost of the investment was £10,384 (50,000 Malaysian Ringgits).

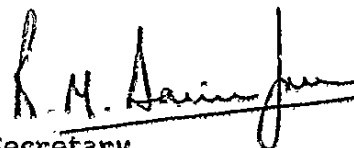
Directors' Interests

The Directors of the Company had no beneficial interest in the share capital of the Company during the period.

Auditors

Price Waterhouse were appointed auditors to the Company during the period. They have indicated their willingness to continue as auditors and a resolution to re-appoint them in accordance with S.384 of the Companies Act 1985 will be proposed at the Annual General Meeting.

By Order of the Board



Secretary

Date: 28 June 1988

London

**AUDITORS' REPORT TO THE MEMBERS OF
BRITISH ELECTRICITY INTERNATIONAL (SERVICES) LIMITED**

We have audited the financial statements on pages 4 to 7 in accordance with approved Auditing Standards.

In our opinion, the financial statements give a true and fair view of the state of the Company's affairs at 31 March 1988, and of its profit and source and application of funds for the period from 1 September 1986 to 31 March 1988, and comply with the Companies Act 1985.



PRICE WATERHOUSE
CHARTERED ACCOUNTANTS
LONDON

Date:

BRITISH ELECTRICITY INTERNATIONAL (SERVICES) LIMITEDPROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 1 SEPTEMBER 1986 TO 31 MARCH 1988

	<u>Notes</u>	<u>£</u>
Income receivable from operations	3	1,120
Administrative expenses		860
Profit on ordinary activities before taxation	4	260
Taxation	5	70
Retained profit for the financial period		£190

The notes on pages 6 and 7 form part of these financial statements.

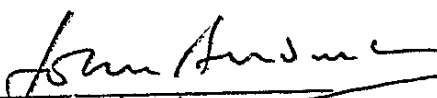
BRITISH ELECTRICITY INTERNATIONAL (SERVICES) LIMITEDBALANCE SHEET AS AT 31 MARCH 1988

<u>CURRENT ASSETS</u>	<u>Notes</u>	<u>£</u>	<u>£</u>
Cash at Bank			3,525
<u>CREDITORS: Amounts falling due within one year</u>			
Current Account with Parent Company		1,765	
Accruals		500	
Taxation		70	2,335
		-----	-----
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			<u>£1,190</u>
			=====
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	7		1,000
Profit and Loss Account			190

			<u>£1,190</u>
			=====

The notes on pages 6 and 7 form part of these financial statements.

Approved by the Board of Directors on


Director


Director

BRITISH ELECTRICITY INTERNATIONAL (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

a) The financial statements have been prepared under the historical cost convention.

b) Foreign currencies:

Revenue items are converted at the actual rates ruling at the date of transaction.

Monetary assets and liabilities are translated at the rate ruling at the Balance Sheet date.

Differences on exchange are taken to profit before taxation.

2 COMPARATIVE FIGURES

The Company had not commenced trading prior to 31 March 1987, and these are the first audited accounts prepared since the date of incorporation. There are, therefore, no comparative figures shown in respect of previous years.

3 INCOME RECEIVABLE FROM OPERATIONS

Income receivable from operations represents the service charge made to BEI Limited in respect of expenditure incurred on behalf of BEI Limited, and is in accordance with the service agreement between the two Companies.

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging Auditors' remuneration amounting to £500.

5 TAXATION

Taxation comprises:

UK Small Companies Corporation Tax at 27%	£ 70
	=====

6 DIRECTORS

None of the Directors received any fees or emoluments directly attributable to their positions within the Company.

7 SHARE CAPITAL

Share capital represents 1,000 authorised, allotted, called up and fully paid ordinary shares of £1 each. During the period, 998 shares were allotted for cash to provide working capital for the Company.

8. The Company is a wholly owned subsidiary of British Electricity International Limited, a Company in turn wholly owned by the Electricity Council, a body corporate established in England by the Electricity Act 1957.