

BRITISH ELECTRICITY INTERNATIONAL (SERVICES) LIMITED

COMPANY No: 2051371

DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 1997



BRITISH ELECTRICITY INTERNATIONAL (SERVICES) LIMITED

DIRECTORS' REPORT

The Directors present their report and unaudited accounts for the financial year ended 31 March 1997.

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 6 November 1996)
Mrs C M Springett	(appointed 6 November 1996)
Mr A J Swanson	(appointed 6 November 1996)
Mr R J Tivey	(resigned 7 November 1996)

On 3 September 1996, A J Swanson acquired one Ordinary Share in the Company as a nominee for National Power PLC, the ultimate holding company. None of the other Directors had any interest in the share capital of the Company during the year.

The interests of the Directors in the Ordinary Shares of 50p of National Power PLC as at 31 March 1997 and 31 March 1996 were as follows:

	Beneficial Interests		Executive Share Options		Sharesave Options	
	31/3/97	31/3/96 [#]	31/3/97	31/3/96 [#]	31/3/97	31/3/96 [#]
C M Springett	779	779	18,002	18,050	2,875	Nil
A J Swanson	14,956	14,956	81,398	60,615	6,781	3,906

([#] or at date of appointment if later)

Executive Share Options are exercisable at prices between 436p and 492p on dates between 1997 and 2006. Sharesave Options are exercisable at prices between 192p and 360p on dates between 1997 and 2006.

Since the year end, on 9 June 1997 C M Springett was allocated 132 Ordinary Shares under the Profit Sharing Share Scheme. On 13 January 1998 C M Springett exercised 5,103 options at a price of 492p under the Executive Share Option Scheme. Following the exercise 1,301 Ordinary Shares were released from the Deferred Share Compensation Plan. These 6,404 Ordinary Shares were subsequently sold.

Since the year end, on 25 July 1997 A J Swanson exercised 12,629 options at a price of 436p under the Executive Share Option Scheme. Following the exercise 3,221 Ordinary Shares were released from the Deferred Share Compensation Plan. These 15,850 Ordinary Shares were subsequently sold.

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2. DIRECTORS (Continued)

On 24 September 1997 A J Swanson exercised 3,906 options at a price of 192p under the Sharesave Option Scheme. Following the exercise 996 Ordinary Shares were released from the Deferred Share Compensation Plan. These 4,902 Ordinary Shares were subsequently sold. On 5 January 1998 A J Swanson exercised 12,937 options at a price of 492p under the Executive Share Option Scheme. Following the exercise 3,300 Ordinary Shares were released from the Deferred Share Compensation Plan. These 16,237 Ordinary Shares were subsequently sold.

3. SHARE CAPITAL

The Company was incorporated on 1 September 1986 with an authorised share capital of 1000 Ordinary Shares of £1 each, of which 1000 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
26 January 1998

British Electricity International (Services) Limited
Windmill Hill Business Park
Whitehill Way Swindon
Wiltshire SN5 6PB

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 them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

BRITISH ELECTRICITY INTERNATIONAL (SERVICES) LIMITED

BALANCE SHEET

As at 31 March 1997

	Note	1997 £	1996 £
Current Assets			
Amount due from immediate holding company		<u>1,000</u>	<u>1,000</u>
Net assets employed		<u>1,000</u>	<u>1,000</u>
Called up share capital	3	<u>1,000</u>	<u>1,000</u>
Capital and reserves		<u>1,000</u>	<u>1,000</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 1997 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 26 January 1998.



C M Springett
Director
26 January 1998

BRITISH ELECTRICITY INTERNATIONAL (SERVICES) 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 (1996: nil). No other persons were employed by the Company during the financial year (1996: nil).

3. Share Capital

	1997 £	1996 £
<i>Authorised:</i>		
1,000 Ordinary Shares of £1 each	1,000	1,000
	<hr/>	<hr/>
<i>Issued, allotted and fully paid:</i>		
1,000 Ordinary Shares of £1 each	1,000	1,000
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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.