

DEESIDE POWER DEVELOPMENT COMPANY LIMITED

(Company No.: 2462479)

DIRECTORS' REPORT AND ACCOUNTS**FOR THE FINANCIAL YEAR ENDED 31 MARCH 1995**

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DEESIDE POWER DEVELOPMENT COMPANY LIMITED

DIRECTORS' REPORT

The Directors present their report together with the audited accounts for the financial year ended 31 March 1995.

1. PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

Deeside Power Development Company Limited is a wholly owned subsidiary of National Power PLC.

The Company's principal activity is the development and construction of electricity generating power stations. Deeside Power Development Company Limited holds consent from the Secretary of State for Energy for the construction of a combined cycle gas turbine power station at Shotton in Deeside, Clwyd North Wales.

The Company did not trade during the year.

2. DIVIDENDS

The Directors do not recommend the payment of a dividend.

3. DIRECTORS AND THEIR INTERESTS

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

Mr J W Baker (Chairman)	Mr G T B Camsey (resigned 31/12/95)
Mr S B Birkenhead	Mr G H Hadley (resigned 16/1/96)
Mr R J Jackson	Mr J C E Webster (resigned 16/1/96)

Since the year end Mr A J Swanson was appointed a Director of the Company with effect from 15 January 1996.

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

The interests of Messrs. Baker, Birkenhead, Camsey, Hadley, Jackson and Webster in the shares of National Power PLC are disclosed in the accounts of that company.

4. AUDITORS

On 6 February 1995, our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name. The Company has adopted the Elective Regime and has dispensed with the obligation to appoint auditors annually.

By order of the Board



S D Morgan
Secretary

25 January 1996

DEESIDE POWER DEVELOPMENT COMPANY LIMITED

STATEMENT OF 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 judgments 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 Act 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.

DEESIDE POWER DEVELOPMENT COMPANY LIMITED

**AUDITORS' REPORT TO THE MEMBERS OF
DEESIDE POWER DEVELOPMENT COMPANY LIMITED**

We have audited the financial statements on pages 4 and 5.

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 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 mis-statement, 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 March 1995 and of its result for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.



KPMG

Chartered Accountants

Registered Auditors

London

26 January 1996

DEESIDE POWER DEVELOPMENT COMPANY LIMITED

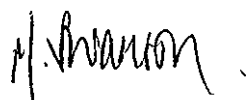
BALANCE SHEET

As at 31 March 1995

	Note	31 March 1995 £	31 March 1994 £
Current assets			
Amount due from ultimate parent company (National Power PLC)		200	200
		<u>200</u>	<u>200</u>
Net assets employed		<u>200</u>	<u>200</u>
Called up share capital	3	200	200
Capital and reserves		<u>200</u>	<u>200</u>

The accounting policies and notes on page 5 form an integral part of these accounts.

These accounts were approved by the Board of Directors on 25 January 1996 and signed on its behalf by



A J Swanson
Director
25 January 1996

DEESIDE POWER DEVELOPMENT COMPANY 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.

During the financial year and the preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently during those years the company made neither a profit or a loss.

2. DIRECTORS' AND EMPLOYEES' REMUNERATION

The Directors received no remuneration during the financial year in respect of their services to the Company (1994: nil). No other persons were employed by the Company during the financial year (1994: nil).

3. CALLED UP SHARE CAPITAL

	31 March 1995 £	31 March 1994 £
<i>Authorised:</i>		
1,000 Ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
<i>Allotted, issued and fully paid:</i>		
200 Ordinary shares of £1 each	200	200
	<hr/>	<hr/>

4. ULTIMATE PARENT COMPANY

National Power PLC, a company incorporated and registered in England and Wales is the Company's ultimate parent company. 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.