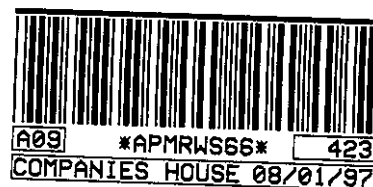


**EAST MIDLANDS ELECTRICITY
SECRETARIES LIMITED**

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

For the year ended 31 March 1996

Registered No. 2585169



EAST MIDLANDS ELECTRICITY SECRETARIES LIMITED

REPORT OF THE DIRECTORS

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

Principal Activities and Business Review

The Company did not trade during the period and has not commenced trading since the end of the financial year. There has been no income or expenditure and therefore the Company made neither a profit or loss.

Dividends

The Directors do not propose the payment of a dividend.

Directors and their interests

The present Directors of the Company are:

Mr J G M Campbell
Ms J V Dawes

None of the Directors or their family had any beneficial interest in the share capital of the Company.

As at 31 March 1996, the following Directors had registered interests in the share capital of East Midlands Electricity plc, the ultimate parent company.

	<u>Beneficial Holdings</u>		<u>Share Options</u>			
	1996	1995*	<u>Sharesave Scheme</u>		<u>Executive Option</u>	
	1996	1995*	1996	1995	1996	1995
J G M Campbell	4400	4435(5040)	1337**	-	-	38500
J V Dawes	1835	293 (335)	2267**	1542	-	-

* Adjusted following share capital consolidation in November 1994

** These represent Sharesave II options granted on 4 April 1996

Close Company provisions

As far as the Directors are aware, the close company provisions of the Income and Corporation Taxes Act 1988 do not apply to the Company. There has been no change in this respect since the end of the financial year.

Auditors

Pursuant to Section 379A of the Companies Act 1989 elective resolutions were passed at a previous Annual General Meeting so that the Company dispensed with both obligations of holding Annual General Meetings for subsequent years and appointing auditors annually.

By order of the Board

A handwritten signature in black ink, appearing to read 'J V Dawes', with a stylized, cursive script.

J V Dawes
Secretary
5 April 1996

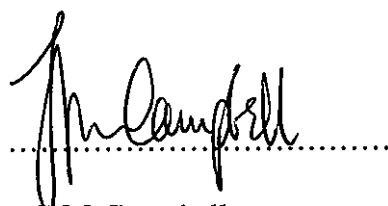
EAST MIDLANDS ELECTRICITY SECRETARIES LIMITED

BALANCE SHEET AS AT 31 March 1996

	<u>Note</u>	<u>1996</u> £	<u>1995</u> £
<u>CURRENT ASSETS</u>			
Amount due from parent undertaking		<u>2</u>	<u>2</u>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	(4)	<u>2</u>	<u>2</u>

The Company was dormant within the meaning of Section 252, Companies Act 1985 throughout the financial year ended 31 March 1996.

These financial statements were approved by the Board of Directors on 5 April 1996 and were signed on its behalf by:



J G M Campbell
Director

EAST MIDLANDS ELECTRICITY SECRETARIES LIMITED

Notes to the financial statements for the period ended 31 March 1996

1. Ultimate Parent Undertaking

The Company's ultimate parent undertaking is East Midlands Electricity plc, a company registered in England and Wales. Copies of East Midlands Electricity plc's consolidated financial statements may be obtained from the Company's registered office:

Company Secretary & Solicitor
East Midlands Electricity plc
398 Coppice Road
Arnold
Nottingham, NG5 7HX

2. Profit and loss account

The Company has not entered into any trading transactions on its own account during the period and consequently a profit and loss account has not been prepared.

3. Directors

The Directors received no remuneration or fees in respect of the year ended 31 March 1996.

4. Called up share capital

		1996	1995
		£	£
Authorised Share Capital:	1000 £1 ordinary shares	1,000	1,000
Issued and fully paid share capital:	2 £1 ordinary shares	2	2