

**EAST MIDLANDS ELECTRICITY
SECRETARIES LIMITED**

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

For the period ended 3 January 1999

Registered No. 2585169



EAST MIDLANDS ELECTRICITY SECRETARIES LIMITED

REPORT OF THE DIRECTORS

The Directors present their report and financial statements for the year ended 3 January 1999.

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 Directors who served office during the year were:

Mr D J Jackson (appointed 22 December 1998)
Ms J V Dawes
Mr J G M Campbell (resigned 22 December 1998)

As at 29 December 1997 and 3 January 1999, none of the directors in office had any beneficial interests in the share capital of the Company. Their beneficial interests in the share capital of the Company's ultimate parent undertaking, PowerGen plc, at either the beginning of the period, or where appointed during the year, their date of appointment and at the date of the Report are set out below:

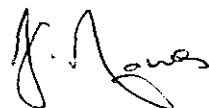
	Beneficial Holdings in Ordinary Shares		Options over Ordinary Shares			
	29 Dec 1997	28 May 1999	29 Dec 1997	Granted	Exercised	28 May 1999
D J Jackson*	14,400	14,550	63,075	12,000	0	75,075
J V Dawes	0	0	0	1609	0	1609

* as at date of appointment on 22 December 1998

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



J V Dawes
Secretary

28 May 1999

EAST MIDLANDS ELECTRICITY SECRETARIES LIMITED

BALANCE SHEET AS AT 3 JANUARY 1999

	<u>Note</u>	<u>1998</u> £	<u>1997</u> £
<u>CURRENT ASSETS</u>			
Amount due from parent undertaking		2	2
<u>CAPITAL AND RESERVES</u>			
Called up share capital	(4)	2	2

The Company was dormant within the meaning of Section 252, Companies Act 1985 throughout the financial period ended 3 January 1999.

These financial statements were approved by the Board of Directors on 28 May 1999 and were signed on its behalf by:



J V Dawes
Director

EAST MIDLANDS ELECTRICITY SECRETARIES LIMITED

Notes to the financial statements for the period ended 3 January 1999

1. Parent Undertaking and Ultimate parent Undertaking

The Company is wholly owned by East Midlands Electricity plc, a wholly owned subsidiary of PowerGen (East Midlands) Investments (formerly DR Investments). Until 28 July 1998 Dominion Resources, Inc., which is incorporated in the United States of America and listed on the New York Stock Exchange, was considered by the directors to be the company's ultimate parent undertaking.

With effect from 28 July 1998 the whole of the share capital of PowerGen (East Midlands) Investments was acquired by the PowerGen plc group.

The largest group in which publishes financial statements in which the results of the company are consolidated is that of which PowerGen plc is the parent undertaking. The consolidated accounts of PowerGen plc for the nine month period ended 3 January 1999 can be obtained from:

Company Secretary
PowerGen plc
53 New Broad Street
London
EC2M 1JJ

The smallest such group is that of which East Midlands Electricity plc is the parent company. Copies of the group accounts of East Midlands Electricity plc can be obtained from:

The Company Secretary and Solicitor
East Midlands Electricity plc
P O Box 444
Woodyard Lane
Wollaton
Nottingham
NG8 1EZ

These financial statements present information about the company as an individual undertaking and not about its group. The company has taken advantage of the exemption, under section 228 of the Companies Act 1985, from the requirement to prepare and deliver group accounts, since it is a wholly owned subsidiary of East Midlands Electricity plc.

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 3 January 1999.

4. Called up share capital

		1998	1997
		£	£
Authorised Share Capital:	1000 £1 ordinary shares	1,000	1,000
Issued and fully paid share capital:	2 £1 ordinary shares	2	2