

**EAST MIDLANDS ELECTRICITY
SECRETARIES LIMITED**

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

For the Nine month period ended 31 December 1997

Registered No. 2585169



EAST MIDLANDS ELECTRICITY SECRETARIES LIMITED

REPORT OF THE DIRECTORS

The Directors present their report and financial statements For the Nine month period ended 31 December 1997.

Principal Activities and Business Review

The Company is a wholly owned subsidiary of East Midlands Electricity plc, which was a a subsidiary of DR Group Holdings until 28 July 1998, when it was acquired by the PowerGen group.

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.

On 11 Auust 1997, the Company shortened its Accounting Reference Date from 31 March to 31 December, resulting in a nine month accounting period.

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 East Midlands Electricity plc is no longer the ultimate parent as at 31 December 1997 there is no need to disclose share options.

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



J V Dawes
Secretary
2 October 1998

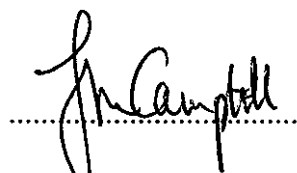
EAST MIDLANDS ELECTRICITY SECRETARIES LIMITED

BALANCE SHEET AS AT 31 December 1997

	<u>Note</u>	<u>1997</u> £	<u>1996</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 December 1997.

These financial statements were approved by the Board of Directors on 2 October 1998 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 December 1997

1. Parent Undertaking and Ultimate parent Undertaking

The company is wholly owned by East Midland 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 which has published consolidated accounts in which the results of the company are consolidated is that of which Dominion Resources, Inc. is the parent company. The consolidated accounts of Dominion Resources, Inc. can be obtained from:-

Corporate Secretary
Dominion Resources, Inc.
P O Box 26532
Richmond
Virginia 23261-6532

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 31 December 1997.

4. Called up share capital

		1997	1996
		£	£
Authorised Share Capital:	1000 £1 ordinary shares	1,000	1,000
Issued and fully paid share capital:	2 £1 ordinary shares	2	2