

CENTRICA INVESTMENTS LIMITED

Annual Report & Accounts

for the period from

4 November 1996

to 31 December 1997

Registered No: 3275445



CENTRICA INVESTMENTS LIMITED

Annual Report and Accounts

for the period ended

31 December 1997

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CENTRICA INVESTMENTS LIMITED

Directors' Report for the period ended 31 December 1997

The Directors present their report and financial statements for the period from 4 November 1996 (date of incorporation) to 31 December 1997.

Principal Activities

The Company did not trade during the period.

Financial Results and Dividends

The financial results are set out on pages 5 to 7. The Directors do not recommend the payment of a dividend.

Directors

The Directors who served during the period covered by this report were:-

<u>Name</u>	<u>Date Appointed</u>	<u>Date Resigned</u>
Combined Nominees Limited	4 November 1996	25 September 1997
Combined Secretarial Services Limited	4 November 1996	25 September 1997
I G Dawson	25 September 1997	
T J Furmston	25 September 1997	
A Garrihy	25 September 1997	

Directors' Interests

At no time did any Director, still holding office on 31 December 1997, have any beneficial interest in the shares of the Company or any other company within the Centrica Group except for the interests in and options over the shares of the ultimate parent company, Centrica plc, as set out below:-

<u>Beneficial Holdings</u>		
<u>Name</u>	<u>Date of Appointment</u>	<u>31 December 1997</u>
I G Dawson	10,000	10,000
A Garrihy	910	910
T J Furmston	Nil	Nil

CENTRICA INVESTMENTS LIMITED

Directors' Report for the period ended 31 December 1997 (continued)

Directors' Interests (continued)

Sharesave Scheme

<u>Name</u>	<u>Date of Appointment</u>	<u>At 31 December 1997 (i)</u>
I G Dawson	21,012	21,012
T J Furmston	Nil	Nil
A Garrihy	21,012	21,012

- (i) Options over shares in Centrica plc granted in April 1997 at 46.4 pence per share under the terms of Centrica plc's Savings Related Share Option Scheme.

Long Term Incentive Scheme

<u>Name</u>	<u>Date of Appointment</u>	<u>Granted during year</u>	<u>At 31 December 1997 (i)</u>
I G Dawson	193,524	140,389	333,913
T J Furmston	Nil	Nil	Nil
A Garrihy	52,102	37,797	89,899

- (i) These share awards under the Centrica Long Term Incentive Scheme are conditional and subject to performance conditions. They will normally be released at the discretion of the trustees in the period March 2003 – October 2004.

Awards of shares were made on 4 March 1997 and 1 October 1997 at base prices of 67.175 and 73.292 pence respectively.

The middle market price of a Centrica plc ordinary share on the last trading day of 1997 (31 December) was 90.25 pence. The range during the year was 95.25 pence (high) and 56.25 pence (low).

All awards were granted under the terms of the ultimate parent company's Long Term Incentive Scheme, details of which are given in that company's report and accounts for the year ended 31 December 1997.

There were no contracts of significance during or at the end of the financial period to which the Company is a party and in which any Director is or was materially interested.

CENTRICA INVESTMENTS LIMITED

Directors' Report for the period ended 31 December 1997 (continued)

Directors' Insurance

The Company has through its ultimate parent company, Centrica plc, maintained insurance for the Directors in respect of their duties as Directors of the Company.

Share Capital

The Company is a wholly owned subsidiary undertaking of GB Gas Holdings Limited, a company registered in England. Details of issued and authorised share capital are set out in note 5 on page 7.

Auditors

The Company is and has since incorporation been dormant within the meaning of Section 250 of the Companies Act 1985 and, on 25 September 1997, passed a Special Resolution whereby the Company became exempt from its obligation to appoint auditors as required by Section 384 of that Act.

By Order of the Board



Lucy Elizabeth Caldwell
Company Secretary

Registered Office:

Charter Court
50 Windsor Road
Slough
Berkshire
SL1 2HA

Date: 24th August 1998

Registered in England
No: 3275445

CENTRICA INVESTMENTS LIMITED

Statement of Directors' Responsibilities

The Directors are required by the Companies Act 1985 to prepare financial statements for the financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit and loss for that period.

The Directors consider that in preparing the financial statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and all accounting standards which they consider to be applicable have been followed.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors have 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.

CENTRICA INVESTMENTS LIMITED

Profit and Loss Account for the period ended 31 December 1997

The Company has not traded during the period ended 31 December 1997 and has received no income and incurred no expenditure. Consequently, during the period the Company has made neither a profit nor a loss.

The accompanying notes on page 7 form part of these financial statements.

CENTRICA INVESTMENTS LIMITED

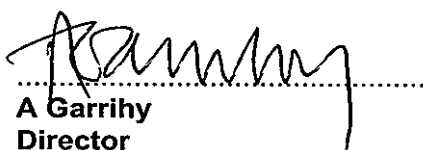
Balance Sheet at 31 December 1997

	Notes	31.12.97
		£
Current Assets:		
Debtors		
(amount falling due within one year)	4	2
		—
Total assets less current liabilities		2
		==
Capital and Reserves:		
Called up share capital	5	2
		—
Total equity shareholders' funds		2
		==

The Company is exempt under Section 250 of the Companies Act 1985 from the obligation to appoint auditors and entitled to claim the exemption afforded to small companies under Section 246 of the said Act.

The Company was dormant throughout the period.

Approved by the Board on 24th day of August 1998 and were signed on its behalf by:-


A Garrihy
Director

Date: 24th August 1998

The accompanying notes on page 7 form part of these financial statements.

CENTRICA INVESTMENTS LIMITED

Notes to the Accounts - 31 December 1997

1 Ownership

Centrica Investment Limited is a direct wholly owned subsidiary undertaking of GB Gas Holdings Limited. At the balance sheet date, GB Gas Holdings Limited was a wholly owned subsidiary undertaking of Centrica plc, the ultimate parent company at that date.

The company has not traded since incorporation and any incidental expenses are borne by the ultimate parent company.

2 Principal accounting policy

The accounts have been prepared under the historical cost accounting convention and in accordance with applicable Accounting Standards.

3 Directors' emoluments and employees

No director received emoluments in respect of his services to the Company during the period. The Company had no employees during the period.

4	Debtors (amounts falling due within one year)	31.12.97
		£
	Amounts owed by a group undertaking	2
		—

5	Share capital	31.12.97
		£

Authorised

100 ordinary shares of £1 each	100
	—

Issued, allotted and fully paid

2 ordinary shares of £1 each	2
	—

On incorporation, 2 ordinary shares of £1 each were issued for cash to the subscribers at par.

On 25 September 1997, both shares were transferred to GB Gas Holdings Limited for £2 consideration.