

BG STORAGE LIMITED

(Formerly BG Leasing Developments Limited)

DIRECTORS' REPORT AND ACCOUNTS

PERIOD ENDED 31ST DECEMBER 1997



Company Registered Number: 3294124

BG STORAGE LIMITED

REPORT AND ACCOUNTS FOR THE PERIOD ENDED 31ST DECEMBER 1997

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BG STORAGE LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31ST DECEMBER 1997

The Directors submit their report and accounts of the Company for the period from incorporation on 18th December, 1996 to 31st December 1997.

1. PRINCIPAL ACTIVITIES

The Company did not trade during the period and has not commenced to trade as at the date of this report.

2. DIRECTORS

The following served as Directors of the Company during the accounting period:

<u>Director</u>	<u>Appointed</u>
J E H Griffin	18 December, 1996
U Markham	18 December, 1996

3. DIRECTORS' INTERESTS

Demerger

Following the Demerger of British Gas plc on 12 February 1997, shares allocated under the Executive Share Options Scheme and Long Term Incentive Scheme were restated to take account of the fall in value of the shares. In both cases, the number of shares were increased by a factor of 1.38157 and the option or base price reduced by a factor of 0.7238. These figures were calculated from the 10 day averages of BG and Centrica shares from their first day of trading on 17 February 1997 as proportions of the combined share prices.

Employees were given the option of exercising their Sharesave options early or allowing the option to lapse in return for a payment of 15p per share.

Capital Re-organisation

Following the capital re-organisation of the Company on 27 October 1997, shares were consolidated with shareholders receiving 15 new shares for every 17 old shares held, plus either a B share for every old share held or 30p, free of all dealing charges. All directors took the option of 30p per B share. However, shares in Trust also attracted B shares and those shares remain in Trust as long as the ordinary shares remain there.

BG STORAGE LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31ST DECEMBER 1997

None of the Directors had any material interest, at any time during the period, in any contract or arrangement made by the Company which is significant to the business of the Company.

At no time did any Director still holding office on 31st December 1997 have any beneficial interest in the shares of the Company or any company within the BG plc Group except for interests in the shares of the parent company, BG plc, as stated below:

Beneficial Holdings

	<u>On appointment</u>	<u>31.12.97</u>	
		<u>Ordinary Shares</u>	<u>B Shares</u>
J E H Griffin	2,230	2,298	536
U Markham	1,782	1,836	420

Savings Related Share Options

	<u>On appointment</u>	<u>Lapsed</u>	<u>Exercised</u>	<u>Granted</u>	<u>31.12.97</u>
J E H Griffin	2,106	2,106	-	1,268	1,268
U Markham	4,762	4,462	300	3,969	3,969

Long Term Incentive Scheme **Notional Allocations**

	<u>On appointment</u>	<u>Restated Following Demerger</u>	<u>Allocated</u>	<u>Transferred</u>	<u>31.12.97</u>
J E H Griffin	Nil	-	2,645	-	2,645

All options were granted under the terms of the ultimate parent company's Savings Related Share Option Scheme, details of which are given in that company's annual report and accounts.

BG STORAGE LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31ST DECEMBER 1997 (CONTINUED)

4. **DIRECTORS' INSURANCE**

The ultimate parent company has maintained insurance premiums to cover Directors and other officers against any liabilities in relation to the Company.

5. **DIVIDEND**

The Directors do not propose to declare a dividend for the period ended 31st December 1997.

6. **RESERVES**

There have been no movements in reserves during the period.

7. **AUDITORS**

As the Company is dormant within the meaning of Section 250 of the Companies Act 1985, the Company is exempt from the obligation to appoint auditors as required by Section 384 of that Act.

By Order of the Board



John Griffin
Secretary
28 August 1998

Registered Office:
100 Thames Valley Park Drive
Reading
Berkshire
RG6 1PT

Registered in England
No: 3294124

BG STORAGE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST DECEMBER 1997

The Company has not traded during the accounting period ended 31st 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 nor were there any recognised gains and losses during the period.

The notes on page 6 form part of these accounts.

BG STORAGE LIMITED

BALANCE SHEET AS AT 31ST DECEMBER 1997

	<u>Notes</u>	<u>31.12.97</u>
		£
CURRENT ASSETS		
Debtors (amount falling due within one year)	4	2
CAPITAL AND RESERVES		
Called up share capital	5	2

The Company was dormant (within the meaning of Section 250 of the Companies Act 1985) throughout the accounting period ending on the date of this balance sheet.

Approved by the Board on 28 August 1998



Una Markham
Director

Date: 28 August 1998

The notes on page 6 form part of these accounts.

BG STORAGE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1997

1. OWNERSHIP/NAME CHANGE

BG Storage Limited is a direct wholly owned subsidiary undertaking of BG plc (formerly named British Gas plc), which is registered in England and Wales. BG plc is the only company to consolidate the accounts of this Company. Copies of the parent company's report and accounts can be obtained from BG plc, 100 Thames Valley Park Drive, Reading, Berkshire RG6 1PT.

The Company was incorporated on 18th December, 1996 with the name BG Leasing Developments Limited and the name was changed to BG Storage Limited on 14th August, 1997.

2. BASIS OF ACCOUNTING

The accounts have been prepared under the historical cost accounting convention.

3. DIRECTORS' EMOLUMENTS AND EMPLOYEES

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

4. DEBTORS (amount falling due within one year). 31.12.97

£

Amounts owed by group undertakings

2

=

5. SHARE CAPITAL 31.12.97

£

Authorised:

100 ordinary shares of £1 each

100

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Allotted issued and fully paid

2 ordinary shares of £1 each

2

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