

GENGAS LIMITED
REPORT AND ACCOUNTS
31 MARCH 1999

Registered Number: 3033261



Gengas Limited

Annual report for the year ended 31 March 1999

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Gengas Limited

Directors and advisers

Directors

K Broom
B A Williams

Secretary and Registered Office

S C Rudd
Mill Lane
Wingerworth
Chesterfield
Derbyshire, S42 6NG

Registered Auditors

PricewaterhouseCoopers
1 East Parade
Sheffield
S1 2ET

Solicitors

Dibb Lupton Alsop
Fountain Precinct
Balm Green
Sheffield
S1 1RZ

Gengas Limited

Directors' report for the year ended 31 March 1999

The Directors present their annual report and the audited financial statements for the year ended 31 March 1999.

Principal activities

The principal activity of the Company is the sale of gas and generation of electricity.

Review of business and future prospects

The Company commenced trading on 1 April 1999.

Result for the period

The result for the period is shown in the profit and loss account on page 8. The Directors recommend that no dividend be declared (1998: £nil).

Directors

The Directors who served during the period were:

K Broom (appointed 7 September 1998)
B A Williams

Directors' interests in the shares of the company

According to the register kept in accordance with the Companies Act 1985, the directors had no interests at any time during the year in the shares of the company.

Both of the directors at 31 March 1999 are also directors of the ultimate holding company and their interests in the shares of group companies are disclosed in the directors report of that company.

Year 2000

The Year 2000 issue has been addressed for the Group as a whole. An extract from the Director's report in the Group financial statements is set out below. No other specific company issues arise.

"As is well known many computer and digital storage systems express dates using only the last two digits of the year and thus require modification or replacement to accommodate the Year 2000 and beyond in order to avoid malfunctions and resulting in widespread commercial disruption. This is a complex and pervasive issue. The operation of our business depends not only on our own computer systems but also to some degree on those of our

Gengas Limited

suppliers and customers. This could expose us to further risk in the event that there is a failure by other parties to remedy their own Year 2000 issues.

Our IT systems fall into two main categories, main business systems and local personal computers which are stand alone or in small networks. The Group wide programme, designed to address the impact of the Year 2000 on our business, is on schedule and we expect all our main business systems to be Year 2000 compliant before the millennium. The local personal computer based systems and networks present a lower risk to our ability to operate. However, we expect that all work required to ensure Year 2000 compliance on these systems will be completed before December 1999.

Year 2000 compliance also applies to our non-IT equipment. We have established a committee to examine all possible effects of non Year 2000 compliance on our operations. We have surveyed our IT equipment and non-IT equipment with embedded chips which may be affected by the Year 2000 problem. Non-IT equipment has been assessed on the basis of risk to our operations and we are taking necessary remedial action to minimise that risk.

Our key suppliers have been surveyed as to their readiness for the Year 2000. Our approach has been to obtain written assurances from key suppliers as to Year 2000 compliance. A majority of our suppliers have confirmed that they will be compliant before the end of 1999. If we consider the ability of individual suppliers to supply products to be a material risk, we will source the products and services affected from alternative suppliers, or take appropriate remedial action to minimise the risk of disruption to our operations. We have surveyed our major customers using questionnaires and a majority have confirmed that they will be Year 2000 compliant before the end of 1999. Where individual customers do not expect to achieve Year 2000 compliance before the year end, we are attempting to persuade those customers to take the action necessary to become Year 2000 compliant. In the event that these individual customers do not achieve full compliance the Directors do not believe that any critical business risk arises.

We will continue to develop and refine our plans as the millennium approaches. However, given the magnitude of the problem and our reliance on external suppliers and customers, we recognise that we cannot totally eliminate the risk of disruption to our businesses presented by the Year 2000 problem. However, the Board believes that it will achieve an acceptable state of readiness and has also provided resources to deal promptly with significant subsequent failures of issues that might arise."

Auditors

A resolution to reappoint the auditors, PricewaterhouseCoopers, will be proposed at the annual general meeting.

By order of the Board



S C Rudd
Company Secretary

22 July 1999

Gengas Limited

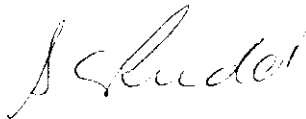
Statement of directors' responsibilities

The Directors are required by UK Company Law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss of the Company for that period.

The Directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 March 1999. The Directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The Directors are responsible for keeping proper accounting records, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board



S C Rudd
Company Secretary

22 July 1999

Gengas Limited

Auditors report to the members of Gengas Limited

We have audited the financial statements on pages 8 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 10.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report, including as described on page 5 the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion


We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Gengas Limited

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 March 1999 and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in cursive script that reads "PricewaterhouseCoopers".

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Sheffield

22 July 1999

Gengas Limited

Profit and loss account for the year ended 31 March 1999

	Notes	Year ended 31 March 1999 £	12 months ended 28 March 1998 £
Turnover		-	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	-
Net operating expenses		-	-
		<hr/>	<hr/>
Operating loss		-	-
Other interest receivable and similar income	2	-	-
		<hr/>	<hr/>
Loss on ordinary activities before taxation		-	-
Tax on loss on ordinary activities		-	-
		<hr/>	<hr/>
Loss on ordinary activities after taxation being the loss for the financial period.		-	-
		<hr/>	<hr/>

The Company has no recognised gains or losses in either the current or preceding periods other than those disclosed in the profit and loss account.

Reconciliation of movements in shareholders' funds

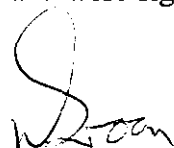
	1999 £	1998 £
Opening shareholders funds	8	8
Loss for the financial period	-	-
	<hr/>	<hr/>
Closing shareholders funds	8	8
	<hr/>	<hr/>

Gengas Limited

Balance sheet at 31 March 1999

	Notes	1999 £	£	1998 £	£
Current assets					
Debtors	4	201,718		8	
Cash at bank and in hand		-		-	
		<u>201,718</u>		<u>8</u>	
Creditors: amounts falling due within one year	5	<u>(201,710)</u>		<u>-</u>	
Net current assets			<u>8</u>		<u>8</u>
			<u>8</u>		<u>8</u>
Capital and reserves					
Called up share capital	6		40		40
Share Premium account	7		1,981		1,981
Profit and loss account	7		<u>(2,013)</u>		<u>(2,013)</u>
Equity shareholders' funds			<u>8</u>		<u>8</u>

These financial statements were approved by the Board of Directors on 17 July 1999 and were signed on its behalf by:



K Broom
Director

Gengas Limited

Notes to the financial statements for the year ended 31 March 1999

1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of accounting

These financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and have been drawn up on a going concern basis.

Cash flow statement

The company is a wholly owned subsidiary of CPL Industries Limited and the cash flows of the company are included in the consolidated group cash flow statement of CPL Industries Limited. Consequently the company is exempt under the terms of FRS1 "Cash Flow Statements" from publishing a cash flow statement.

Related party transactions

In accordance with the exemption allowed by FRS8 "Related Party Transactions" transactions with of CPL Industries Limited and fellow subsidiary undertakings are not disclosed.

2 Other interest receivable and similar income

	Year ended 31 March 1999 £	12 months ended 28 March 1998 £
Bank interest receivable	-	-

3 Directors' emoluments

No Director received any emoluments during the period in respect of their directorship of Gengas Limited.

Gengas Limited

4 Debtors	1999 £	1998 £
Other debtors	201,710	-
Amounts due from fellow subsidiaries	8	8
	<u>201,718</u>	<u>8</u>

5 Creditors: amounts falling due within one year

	1999 £	1998 £
Amounts due to fellow subsidiaries	<u>201,710</u>	<u>-</u>

6 Called up share capital

	1999 £	1998 £
Authorised 100,000 ordinary shares of 1p each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid 4,002 ordinary shares of 1p each	<u>40</u>	<u>40</u>

7 Movements on reserves

	Share Premium £	Profit and loss account £
At 28 March 1998 and at 31 March 1999	<u>1,981</u>	<u>(2,013)</u>

8 Contingent liabilities

	1999 £	1998 £
Amount of guarantee in respect of cross guarantee on bank overdraft of companies within the group	<u>57,342,408</u>	<u>45,983,672</u>

9 Ultimate parent company

The directors regard CPL Industries Limited as the ultimate parent company. The holding company is preparing accounts for the year ended 31 March 1999. According to the register kept by the Company, CPL Industries Limited has a 100% interest in the equity capital of Gengas Limited at 31 March 1999. Copies of the parents consolidated financial statements may be obtained from The Secretary, CPL Industries Limited, Mill Lane, Wingerworth, Chesterfield, Derbyshire S42 6NG.

10 Ultimate controlling party

The directors regard CPL Industries Limited to be the Company's ultimate controlling party.

