Company Registration No.1483021

GAZ DE FRANCE BRITAIN E&P LIMITED
(formerly CalEnergy Gas (UK) Limited)

Report and Financial Statements

31 DECEMBER 2002



A14
COMPANIES HOUSE
0200
11/09/03

GAZ DE FRANCE BRITAIN E&P LIMITED (formerly CalEnergy Gas (UK) Limited)

REPORT AND FINANCIAL STATEMENTS 2002

CONTENTS

	Page
Officers and professional advisers	1
Directors' report	2
Independent auditors' report	5
Profit and loss account	6
Statement of total recognised gains and losses	7
Balance sheet	8
Notes to the accounts	9

GAZ DE FRANCE BRITAIN E&P LIMITED (formerly CalEnergy Gas (UK) Limited)

REPORT AND FINANCIAL STATEMENTS 2002

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

G E Abel (resigned 22/05/02)
P E Connor (resigned 22/05/02)
J G Davies (resigned 22/05/02)
J J Treen (resigned 22/05/02)
P R A Youngs (resigned 22/05/02)
J Deyirmendjian (Chairman to 19/12/02) (appointed 22/05/02) (resigned 19/12/02)
J M Dauger (appointed 22/05/02) (Chairman from 19/12/02)
E Hedde (appointed 22/05/02)
J L Colonna (appointed 22/05/02)
J C Marouby (appointed 22/05/02)
M Przydrozny (appointed 22/05/02)

SECRETARY

M Sparkes (resigned 22/05/02)

Sisec Limited (appointed 22/05/02)
21 Holborn Viaduct
London EC1A 2DY

REGISTERED OFFICE

60 Grays Inn Road
London WC1X 8LU

BANKERS

Lloyds TSB Bank PLC
102 Grey Street
Newcastle upon Tyne
NE99 1SL

SOLICITORS

Baker Botts
99 Gresham St
London EC2V 7BA

AUDITORS

Ernst & Young LLP
Chartered Accountants
Becket House
1 Lambeth Palace Road
London SE1 7EU

DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended 31 December 2002.

RESULTS AND DIVIDENDS

The loss for the year after taxation amounted to £34,150,000 (2001: profit of £1,778,000). No dividend was paid during the year (2001: £nil). The directors do not recommend that a final dividend be paid for the year.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the Company is the exploration for and production of hydrocarbons, principally natural gas.

Under an agreement between CalEnergy Gas (Holdings) Limited and GDF Britain Limited it was agreed that effective 1 January 2002 GDF Britain Limited would acquire beneficial ownership for all of the share capital of CalEnergy Gas (UK) Limited in exchange for a consideration of £138,444,772.

Prior to the sale of the shares of CalEnergy Gas (UK) Limited to GDF Britain Limited, two assets, the United Kingdom Victor gas field and all Australian exploration licences, which were outside the scope of the sale to the GDF Britain Limited, were sold to affiliate CalEnergy group companies.

Firstly on the 26th April 2002 the interest in the UK Victor gas field was sold to CalEnergy Gas Limited for a consideration of £2,500,000. The proceeds of the sale were credited against the fixed asset value for the field producing no gain or loss on disposal.

Secondly on the 18th April 2002 all Australian licence interests, being those in Tasmania, Western Australia and Victoria, were sold to CalEnergy Gas (Australia) Limited for a consideration of £4,229,519. The resulting loss of £5,977,000 was taken to the profit and loss account.

The sale of the shares of CalEnergy Gas (UK) Limited was completed on the 22nd May 2002 following which the company, now a wholly owned subsidiary of GDF Britain Limited, was renamed Gaz de France Britain E&P Limited.

The operations and assets of the company were kept distinct from those of the Gaz de France group until the middle of December 2002 when, in the interests of maximising operational synergies and effectiveness, it was agreed to transfer all the assets and liabilities from Gaz De France Britain E&P Limited to its parent GDF Britain Limited in exchange for a consideration of £135,694,750.

The consideration from the sale of assets was in the form of an inter-company receivable from its wholly owned parent GDF Britain Limited amounting to a balance, after the sale of £90,862,452. In the interests of administrative simplicity this balance, plus other inter-company receivable charges, were released prior to the end of December 2002, which resulted in a corresponding loss to be taken to income of £91,638,542.

After the sale the former activities have ceased permanently and the company, which has no assets or liabilities will be retained for the foreseeable future as a dormant company.

CREDITORS PAYMENT POLICY

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with.

At 31 December 2002 the company had no outstanding trade creditors.

DIRECTORS

The directors who served during the year ended 31 December 2002 are as listed on page 1.

None of the directors had any interest in the shares of Gaz De France Britain E&P Limited or in any other group subsidiary at 31 December 2002.

DIRECTORS' REPORT

AUDITORS

Previously Deloitte & Touche were the auditors for the company. They resigned their position as auditors 22nd May 2002.

Ernst & Young LLP were appointed as auditors effective 22nd May 2002. Ernst & Young LLP will be reappointed as the Company's auditor in accordance with the elective resolution passed by the Company under section 386 of Companies Act 1985.

Approved by the Board of Directors
and signed on behalf of the Board



Director

4 July 2003

STATEMENT OF DIRECTORS RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS REPORT
To the members of Gaz De France Britain E&P Limited

We have audited the company's financial statements for the year ended 31 December 2002, which comprise the Profit and Loss Account, Balance Sheet, Statement of Total Recognised Gains and Losses, and the related notes 1 to 19. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 1985. 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 with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London

4 July 2003

PROFIT AND LOSS ACCOUNT
31 DECEMBER 2002

	Note	2002	2001
		£'000	£'000
TURNOVER – discontinued operations	1	14,130	
- continuing operations			24,838
Cost of sales – discontinued operations		(12,717)	
- continuing operations			(18,839)
GROSS PROFIT		1,413	5,999
Administrative expenses – discontinued operations		(687)	
- continuing operations			(213)
Other operating expenses		-	22
OPERATING PROFIT – discontinued operations	2	726	
- continuing operations			5,808
Profit on the disposal of fixed assets		50,686	-
Release of payable from parent		(91,639)	-
		(40,227)	5,808
Interest receivable and similar income	5	42	118
Interest payable and similar charges	6	(1,399)	(3,061)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(41,584)	2,865
Tax on profit on ordinary activities	7	7,434	(1,087)
(LOSS)/PROFIT RETAINED FOR THE YEAR		(34,150)	1,778

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
31 DECEMBER 2002

	2002 £'000	2001 £'000
(Loss)/Profit for the financial year	(34,150)	1,778
Total recognised gains and losses in the period	(34,150)	1,778
Total recognised gains and losses recognised since the last annual report	(34,150)	1,778

BALANCE SHEET
At 31 December 2002

	Note	2002 £'000	2001 £'000
FIXED ASSETS			
Tangible assets	8	-	105,743
Investments	9	-	55
		-	105,798
CURRENT ASSETS			
Stocks		-	283
Debtors	10	-	6,273
Cash at bank and in hand		-	1,694
		-	8,250
CREDITORS: amounts falling due within one year	11	-	(28,565)
NET CURRENT LIABILITIES		-	(20,315)
TOTAL ASSETS LESS CURRENT LIABILITIES		-	85,483
CREDITORS: amounts falling due after more than one year	12	-	(34,625)
PROVISIONS FOR LIABILITIES AND CHARGES	13	-	(16,708)
NET ASSETS		-	34,150
CAPITAL AND RESERVES			
Called up share capital	14,15	35,704	35,704
Profit and loss account	15	(36,793)	(2,643)
Merger reserve	15	-	-
Revaluation reserve	15	1,089	1,089
EQUITY SHAREHOLDERS' FUNDS	15	-	34,150

These financial statements were approved by the Board of Directors on 4 July 2003.

Signed on behalf of the Board of Directors

J C Marouby
Director

NOTES TO THE FINANCIAL STATEMENTS
At 31 December 2002

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

The company has taken advantage of the exemption contained within FRS 1 (Revised) and does not present a cash flow statement in these financial statements.

Investments

Investments are carried at cost less any provision for permanent impairment.

Joint ventures

Exploration, development and production activities are conducted as co-licensee in joint ventures with other companies. The accounts reflect the relevant proportions of production, capital expenditure, operating costs and current assets and liabilities applicable to the Company's interests.

Oil and gas assets

Oil and gas assets are stated at cost or valuation, net of depletion and provision for permanent diminution in value. The oil and gas assets were revalued by the directors in December 1996. No deferred tax was provided in respect of the revaluation.

Expenditure on oil and gas properties are accounted for using the full cost method. Under this method, exploration, appraisal and development costs are capitalised in appropriate cost pools.

Capitalised costs, other than costs of unevaluated exploration projects and projects awaiting development consent, are depleted using a unit of production basis in the proportion of actual production for the period to the total estimated remaining commercial reserves.

Depletion is calculated based on hydrocarbon reserves of properties in the evaluated pool estimated to be commercially recoverable and include anticipated future development costs in respect of these reserves.

Capitalised costs relating to exploration licences are initially classified as assets under appraisal. These costs are transferred to the evaluated pool at the commencement of a development programme or at the conclusion of an appraisal programme when there are indications of impairment.

Other fixed assets

Other fixed assets, being office equipment, are stated at cost less amounts written off. Depreciation is calculated to write down the cost, less estimated residual value, of these assets on a straight line basis over their expected useful lives. Depreciation is charged on office equipment at a rate of 20% per annum.

NOTES TO THE FINANCIAL STATEMENTS
At 31 December 2002

1. ACCOUNTING POLICIES (continued)

Commercial reserves

Commercial reserves used in the unit of production calculations are proven and probable oil and gas reserves as defined in the Combined SORP 'Accounting for Oil and Gas Exploration, Development, Production and Decommissioning Activities'. Reserves are based on estimates provided by the operators.

Ceiling test

The carrying value of fields within the depletable cost pools are assessed for impairment at each balance sheet date and any impairment identified is provided for. The assessment is made on the basis of future oil prices, exchange rates and cost levels forecast at the balance sheet date.

Over and underlifts

The quantities of oil and other hydrocarbons lifted by the Company may differ from its equity share of production giving rise to over or underlifts which are accounted for as follows:

(i) an overlift of production from a field is included in accruals and valued at the year end spot price or prevailing contract price; and

(ii) an underlift of production from a field is included in other debtors and valued at the year end spot price or prevailing contract price.

Any adjustment for overlift or underlift is reflected within cost of sales.

Turnover

Turnover represents the sales value of the Company's share of oil and gas lifting during the year (net of VAT).

Deferred income

Receipts under gas sales contracts, whereby the buyer must pay for minimum levels of gas made available in excess of gas actually taken in each period, are treated as deferred income and released to turnover as related deliveries are made in future periods.

Corporation tax

Corporation tax payable is provided on taxable profits at the current rate.

The taxation assets of the Company can be realised wholly or in part by the surrender of losses by or to other group companies. The tax benefits arising from group relief are recognised in the accounts of the surrendering and recipient companies.

Interest

Interest on borrowings to finance the acquisition of producing interests is written off in the profit and loss account as incurred. Interest on borrowings to finance fields under development is capitalised within fixed assets.

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. All exchange differences thus arising are reported as part of the results for the year.

NOTES TO THE FINANCIAL STATEMENTS
At 31 December 2002

1. ACCOUNTING POLICIES (continued)

Leases

The Company enters into operating leases. The rental payments under operating leases are substantially included as part of the costs incurred on exploration and development.

Revaluation of oil and gas properties

Surpluses or deficits arising on revaluation are transferred to a revaluation reserve. Where depletion charges are increased following a revaluation, an amount equivalent to such increase is transferred annually from the revaluation reserve to the profit and loss reserve.

Stock

Stock is held on the balance sheet at the lower of cost and net realisable value. All stock has been classified as finished goods.

Pensions

The expected cost of providing pensions, as calculated periodically by professionally qualified actuaries, is charged to the profit and loss account so as to spread the cost over the service lives of employees in the scheme operated within the Company in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll.

Deferred tax

Deferred tax is provided on deferred tax assets and liabilities arising from timing differences between the recognition of the gains or losses in the financial statement and their recognition in a tax computation, calculated at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse. The deferred tax provision is stated at the net present value, arrived at by discounting the expected reversal of the timing differences

Segmental Information

Contributions to turnover and profit on ordinary activities before taxation were all from the sale of hydrocarbons in the United Kingdom.

2. OPERATING PROFIT

Operating profit is stated after charging:

	2002 £'000	2001 £'000
Operating expenses	7,487	8,428
Depletion of oil and gas assets	5,230	10,411
Total Cost of Sales	12,717	18,839
Depreciation on office equipment	143	144
Staff costs (see note 4)	842	1,932
Operating Lease rentals – land and buildings	187	214

Auditors' remuneration was borne by another group company in the current and preceding financial years.

NOTES TO THE FINANCIAL STATEMENTS
At 31 December 2002

3. DIRECTORS' EMOLUMENTS

	2002 £'000	2001 £'000
Emoluments	162	369
	No.	**No.**
Members of defined benefit schemes	-	3

Members of defined benefit schemes were three up to the 22nd May, 2002 and nil thereafter.

4. STAFF COSTS

	2002 £'000	2001 £'000
Wages and salaries	700	1,574
Social security costs	73	174
Other pension costs	69	184
	842	1,932

The Company contributed to the Electricity Supply Pension Scheme from January to May 2002. The average number of persons employed up to the end of May was 27 (2001 full year – 27). The average number of persons employed from June to November was 4 (as the majority of employees on sale of the company became employees of GDF Britain Limited). These were in the following areas: Exploration 3, Finance/IT/Administration 1 [2001: Operations 6, Exploration 5, Finance/IT/Administration 14, Management 2].

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2002 £'000	2001 £'000
Bank interest receivable	14	7
Other interest receivable	28	111
Exchange gain	-	-
	42	118

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2002 £'000	2001 £'000
Bank loans	877	2,894
Other interest payable and similar charges	47	120
Exchange loss	2	40
	926	3,054
Add: Unwinding of discount on provisions (see note 13)	473	486
Less: amount of interest added to the cost of assets under development	-	(479)
Total interest payable and similar charges	1,399	3,061

NOTES TO THE FINANCIAL STATEMENTS
At 31 December 2002

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

		2002 £'000		2001 £'000
Corporation taxation:				
Group relief receivable	-		(555)	
Corporation tax payable	-		-	
Adjustment in respect of prior years	-		(13)	
Total current tax (credit)/charge		-		(568)
Deferred taxation:				
Timing differences (originating and reversing)	(7,434)		1,086	
Change in discount	-		301	
Total deferred tax		(7,434)		1,387
Petroleum revenue tax:				
Current	-		686	
Deferred	-		(418)	
Total Petroleum revenue tax		-		268
Tax on Profit on ordinary activities		(7,434)		1,087

No Petroleum Revenue Taxes were provided as all liabilities were met by the purchaser of the Victor gas field which was sold on the 26th April, 2002.

Reconciliation Of Current Tax Loss	**2002 £'000**	**2001 £'000**
(Loss)/Profit on ordinary activities before taxation	(41,584)	2,865
(Credit)/ Tax on profit on ordinary activities at 40% (2001:30%)	(16,634)	860
Factors affecting the charge:		
Expenses not deductible for tax purposes	16,386	517
Capital allowances for period in excess of depreciation	(6,018)	(1,830)
Petroleum revenue tax	-	(102)
Adjustment in respect of prior years	-	(13)
Unutilised losses in the year(transferred to GDF Britain Limited)	6,266	-
Current tax (credit)/charge for the year	-	(568)

No corporation tax was provided during the year as the net tax liability was assumed by the parent company, consequent to the sale of all net assets in December 2002.

NOTES TO THE FINANCIAL STATEMENTS
At 31 December 2002

8. TANGIBLE FIXED ASSETS

	Exploration and production interests			
	Assets under appraisal £'000	Depletable cost pool £'000	Office equipment £'000	Total £'000
Cost or revaluation:				
At 1 January 2002	14,037	144,883	1,225	160,145
Additions	189	11,028	17	11,234
Disposals	(14,226)	(155,911)	(1,242)	(171,379)
At 31 December 2002	-	-	-	-
Depreciation:				
At 1 January 2002	-	53,583	819	54,402
Charge for the year	-	5,230	143	5,373
Disposals	-	(58,813)	(962)	(59,775)
At 31 December 2002	-	-	-	-
Net book value:				
At 31 December 2002	-	-	-	-
At 31 December 2001	14,037	91,300	406	105,743

	2002 £'000	2001 £'000
If tangible fixed assets had not been revalued, they would have been included at the following amounts:		
Cost	-	163,386
Aggregate depreciation	-	(61,664)
	-	101,722

On the 26th April 2002 the interest in the UK Victor gas field was sold to CalEnergy Gas Limited for a consideration of £2,500,000. The proceeds of the sale were credited against the fixed asset value for the field producing no gain or loss on disposal.

On the 18th April 2002 all Australian licence interests, being those in Tasmania, Western Australia and Victoria, were sold to CalEnergy Gas (Australia) Limited for a consideration of £4,229,519. The difference between the proceeds of the sale and the historic carrying value was taken to profit and loss as a loss of £5,977k.

9. INVESTMENTS

Five million shares in Empire Oil and Gas NL were acquired on 18 August 1997 for A$667,000 (£311,537). Flotation of Empire Oil and Gas took place on 15 January 2000 at 9 cents/share. The sterling value of the shares on 31 December 2001 was £54,533. The investment was written down to its 31 December 2001 value of 3.1 Australian cents/share. On the 18th April 2002 the investment was written down to zero as part of the sale of Australian assets to CalEnergy Gas (Australia) Ltd.

NOTES TO THE FINANCIAL STATEMENTS
At 31 December 2002

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £'000	2001 £'000
Amounts falling due within one year:		
Trade debtors	-	3,277
Amounts receivable from joint venture partners	-	445
Amounts receivable from group undertakings	-	1,873
Group relief recoverable	-	255
Other debtors	-	84
Prepayments	-	339
	-	6,273

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £'000	2001 £'000
Bank loans secured	-	17,630
Amounts payable to joint venture partners	-	181
Amounts payable to group undertakings	-	6,839
Petroleum revenue tax payable	-	208
VAT payable	-	289
Other creditors	-	1,161
Accruals and deferred income	-	2,257
	-	28,565

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2002 £'000	2001 £'000
Bank loans secured	-	30,620
Deferred Revenue	-	4,005
	-	34,625
The bank loans, which are repayable by instalments, are due as follows:		
Between one and two years	-	8,972
Between two and five years	-	21,648
	-	30,620

NOTES TO THE FINANCIAL STATEMENTS
At 31 December 2002

13. PROVISIONS FOR LIABILITIES AND CHARGES

	As at 1 January 2002 £'000	Profit and loss credit £'000	Repayment £'000	Transfers and other adjustments (i) + (ii) £'000	As at 31 December 2002 £'000
Site restoration costs	8,099	473	-	(8,572)	-
Deferred corporation tax	7,435	-	-	(7,435)	-
Deferred petroleum revenue tax	1,174	-	(116)	(1,058)	-
Total	16,708	473	(116)	(17,065)	-

(i) includes unwinding of discount (site restoration costs) added to net interest amounting to £473,000 (note 6) and reduction in the site restoration asset of £288,485.

(ii) Transfers relate to amounts taken to the profit and loss account on completion of sale to GDF Britain Limited.

Deferred corporation tax

No tax was provided during the year as the net tax liability was assumed by the parent company, consequent to the sale of all net assets in December 2002.

	2002 £'000	2001 £'000
Accelerated capital allowances	-	12,767
Petroleum revenue tax	-	(415)
Site restoration	-	(1,046)
Deferred Income	-	(1,202)
	-	10,104
Discount on timing difference	-	(2,670)
Total deferred taxation provision	-	7,434

14. CALLED UP SHARE CAPITAL

	2002 £'000	2001 £'000
Authorised:		
50,000,000 ordinary shares of £1 each	50,000	50,000
Called up, allotted and fully paid:		
35,704,000 ordinary shares of £1 each	35,704	35,704

NOTES TO THE FINANCIAL STATEMENTS
At 31 December 2002

15. RECONCILIATION OF MOVEMENT SHAREHOLDER'S FUNDS AND MOVEMENTS ON RESERVES

	Share capital	Profit and loss account	Revaluation reserve	Total
	£'000	£'000	£'000	£'000
At 31 December 2000	35,704	1,552	1,164	38,420
Prior Year adjustment for deferred taxation	-	(6,048)	-	(6,048)
Restated shareholders funds at 31 December 2000	35,704	(4,496)	1,164	32,372
Profit for the year	-	1,778	-	1,778
Release from revaluation reserve	-	75	(75)	-
At 31 December 2001	35,704	(2,643)	1,089	34,150
Loss for the year	-	(34,150)	-	(34,150)
Transfers to merger reserve	-	-	-	-
At December 31 2002	35,704	(36,793)	1,089	-

16. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

Capital commitments

There were no capital commitments as at 31 December 2002.

Operating Lease commitments

At 31 December 2002 the Company was committed to making nil payments during the next year in respect of operating leases:

Leases which expire:

	Land and buildings	
	2002	2001
	£'000	£'000
Between two and five years	-	206

17. ULTIMATE PARENT UNDERTAKING

The Company's immediate parent undertaking is GDF Britain Limited. The ultimate ultimate parent undertaking is Gaz de France, a company incorporated in France. Copies of its financial statements can be obtained on application to the company's registered office at 23 Rue Philbert-Delorme, 75840, Paris Cedex 17, France.

The smallest group into which the results of this Company are incorporated is that headed by Production Investissements S.A. which is incorporated in Paris, France. The largest group into which the results of this Company are incorporated is that headed by Gaz De France, which is incorporated in Paris, France.

NOTES TO THE FINANCIAL STATEMENTS
At 31 December 2002

18. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption contained within FRS 8 and does not disclose transactions with related parties that are part of the Gaz de France (GDF) group.

19. TRANSACTIONS WITH DIRECTORS

Included in debtors at the beginning of the year were interest free loans to directors. The loans were paid on completion of the sale 22nd May 2002.

	J Davies £	P Youngs £
Balance at 31 December 2001	2,431	605
Maximum amount outstanding in the year ended 31 December 2002	(2,431)	(605)
Balance at 31 December 2002	-	-