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**JERSEY GAS COMPANY LIMITED**

REPORT AND ACCOUNTS

31st DECEMBER 2001

JERSEY GAS COMPANY LIMITED

Incorporated under "Lois 1918 - 1965 Sur La Compagne Du Gaz", now repealed, continuing in existence under the provisions of the Jersey Gas Company (Jersey) Law 1989.

Directors	<p>P FAIRCLOUGH, B.Sc., C.Eng., M.I. Gas E. 27 Les Cherfs, Cobo, Castel, Guernsey</p> <p>A SPRUCE Sans Pareil, Rue Sauvage, St Sampsons, Guernsey</p> <p>D H BIRD (resigned 27.04.01) Dandie, Le Dell Clos, Le Foulon, St Peter Port, Guernsey</p> <p>R St C STADDON 1 Port de L'Ecluse, Mont Les Vaux, St Brelade, Jersey</p> <p>K J OLLIVIER 7 Parkinson Drive, St Lawrence, Jersey</p> <p>S CROSSMAN Ranworth, La Route Orange, St Brelade, Jersey</p> <p>M R RICHARDS (appointed 27.04.01) Spruce Cottage, Newbridge, Cadnam, Hants</p>
Secretary	K J OLLIVIER
Auditors	<p>BURNETT SWAYNE Charter Court Third Avenue Southampton</p>
Bankers	<p>NatWest Offshore Limited 23 Broad Street St Helier JERSEY</p>
Registered Office	<p>Thomas Edge House Tunnell Street St Helier JERSEY</p>

JERSEY GAS COMPANY LIMITED

NOTICE OF MEETING

NOTICE is hereby given that the Annual General Meeting of the Company will be held at

Thomas Edge House, Tunnell Street, St Helier, Jersey on 29<sup>th</sup> April 2002 at 3.00 p.m.

for the following purpose:-

1. Election of Chairman.
2. Read Notice convening the Meeting.
3. Approve the minutes of the Annual General Meeting held on 27<sup>th</sup> April 2001.
4. Receive the Directors' Report and Accounts for the year to 31<sup>st</sup> December 2001.
5. Declare a Dividend.
6. Election of Directors.
7. Auditors' Report.
8. Appoint Auditors and to fix their remuneration.
9. Transact any other ordinary business of the company.

By Order of the Board

K J OLLIVIER

Secretary

Thomas Edge House  
Tunnell Street  
St Helier  
JERSEY

9<sup>th</sup> April 2002

## JERSEY GAS COMPANY LIMITED

## REPORT OF THE DIRECTORS

The Directors submit their report and the audited accounts for the year ended 31st December 2001.

Activities

The principal activity of the company is gas production, distribution and related activities.

Results

The results of the year are shown in the profit and loss account on page 6.

Dividend

The profit for the year after taxation amounted to £1,152,500 (2000 £757,014). It is recommended that this be allocated as follows:-

	2001 £	2000 £
Preference Dividends	11844	11844
Ordinary Dividends	1400000	700000
Transfer to Reserves	656	45170
	-----	-----
	1152500	757014
	=====	=====

Directors

Messrs P Fairclough and K J Ollivier retire in accordance with By-Law 66 and, being eligible, offer themselves for re-election.

Directors Responsibilities

The directors are responsible for preparing financial statements for each financial year 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 or loss of the company for that period and are in accordance with applicable laws.

## JERSEY GAS COMPANY LIMITED

## REPORT OF THE DIRECTORS (continued)

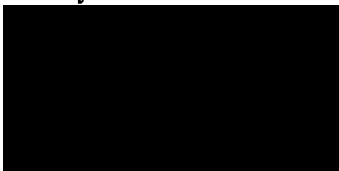
Directors Responsibilities (continued)

In preparing those financial statements the directors are required to select suitable accounting policies and then apply them consistently, make judgements that are reasonable and prudent and prepare the financial statements on a 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 have been properly prepared in accordance with generally accepted accounting principles and the Jersey Gas Company (Jersey) Law 1989. 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.

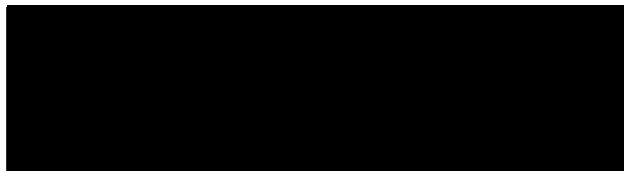
Auditors

The auditors, Burnett Swayne, have indicated their willingness to continue in office and a resolution concerning their appointment will be proposed at the Annual General Meeting.

By Order of the Board



Director



Director

9<sup>th</sup> April 2002

INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS OF JERSEY GAS COMPANY LIMITED

We have audited the financial statements of Jersey Gas Company Limited for the year ended 31<sup>st</sup> December 2001 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

Respective Responsibilities of the Directors and Auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and Accounting Standards are set out in the Statement of Directors' Responsibilities.

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 Jersey Gas Company (Jersey) Law 1989. 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, or if we have not received all the information and explanations we require for our audit.

We read the Directors' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

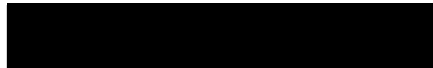
Basis of Audit Opinion

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 the company's affairs at 31<sup>st</sup> December 2001 and of its profit for the year then ended and comply with the provisions regarding the financial administration of the company contained in Article 37 of the Jersey Gas Company (Jersey) Law 1989.

  
Burnett Swayne  
Chartered Accountants and Registered Auditors  
Southampton

9<sup>th</sup> April 2002

## JERSEY GAS COMPANY LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31st DECEMBER 2001

	Note	2001 £	2000 £
TURNOVER	1(v) & 2	8442088	8083057
Cost of Sales		5935542	6133029
GROSS PROFIT		2506546	1950028
Net Operating Expenses:			
Administration Costs		1076994	1020131
OPERATING PROFIT		1429552	929897
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		1429552	929897
Interest (net)	3	( 3689 )	( 10160 )
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	1433241	940057
Taxation	5	280741	183043
PROFIT FOR THE FINANCIAL YEAR		1152500	757014
Dividends	6	1151844	711844
RETAINED PROFIT FOR THE YEAR		656	45170

All of the company's operations are classed as continuing.

The notes on pages 10 to 19 form part of these financial statements. A statement of movements on reserves is given in note 15.

## JERSEY GAS COMPANY LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31st DECEMBER 2001

	2001 £	2000 £
Profit for the financial year	1152500	757014
Unrealised surplus on revaluation of properties	-	-
	-----	-----
Total recognised profits relating to the year	1152500	757014
	=====	=====

NOTE OF HISTORICAL COST PROFITS AND LOSSES  
FOR THE YEAR ENDED 31st DECEMBER 2001

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalent.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS  
FOR THE YEAR ENDED 31st DECEMBER 2001

	2001 £	2000 £
Profit for the financial year	1152500	757014
Dividends	(1151844 )	(711844 )
Other recognised gains relating to the year	-	-
	-----	-----
Opening shareholders' funds	656 12910748	45170 12865578
	-----	-----
Closing shareholders' funds	12911404	12910748
	=====	=====

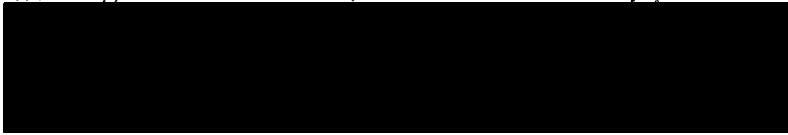


## JERSEY GAS COMPANY LIMITED

## BALANCE SHEET AT 31st DECEMBER 2001

	Note	2001 £	2000 £
<b>FIXED ASSETS</b>			
Tangible Assets	1(ii) & 7	13601869	13333965
<b>CURRENT ASSETS</b>			
Stock and Work in Progress	1(iv) & 8	400362	527564
Debtors	9	4213270	4310958
Cash at Bank and in Hand		790	555
		<u>4614422</u>	<u>4839077</u>
<b>CURRENT LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
Creditors	10	1669474	1919431
Bank Overdraft & Short Term Loans	11	70226	201997
States Income Tax		153257	238589
Proposed Dividends	6	1145922	705922
		<u>3038879</u>	<u>3065939</u>
<b>NET CURRENT ASSETS</b>		<u>1575543</u>	<u>1773138</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		15177412	15107103
<b>AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>			
States Income Tax		256697	153257
Creditors	12	1023927	1069414
Provision for Liabilities & Charges	13	985384	973684
		<u>2266008</u>	<u>2196355</u>
<b>NET ASSETS</b>		<u>12911404</u>	<u>12910748</u>
<b>CAPITAL AND RESERVES</b>			
<b>Equity Shareholders Funds</b>			
Called up Share Capital	14	915000	915000
Share Premium Account	15	962	962
Revaluation Reserve	15	3121245	3121245
Capital Reserve	15	2850100	2850100
Profit & Loss Account	15	5665193	5664537
		<u>12552500</u>	<u>12551844</u>
<b>Non Equity Shareholders Funds</b>			
Called Up Share Capital	14	358904	358904
		<u>12911404</u>	<u>12910748</u>

The accounts on pages 6 to 19 were approved by the board of directors on 9<sup>th</sup> April 2002 and were signed on its behalf by:-



Directors

The notes on pages 10 to 19 form part of these financial statements.

## JERSEY GAS COMPANY LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2001

## 1. ACCOUNTING POLICIES

## (i) Basis of Presentation

The accounts have been prepared under the historical cost convention, and modified by the revaluation of land and buildings, in accordance with applicable accounting standards.

## (ii) Tangible Fixed Assets

Depreciation is provided at rates calculated to write off the cost of fixed assets on the straight line method over their estimated useful lives.

The principal rates in use are:- %

Land & Buildings	
- freehold building	2
Plant & Machinery	5-33
Vehicles	20-25

## (iii) Investment Properties

In accordance with SSAP 19, investment properties are revalued annually and any material surplus or deficit is transferred to a revaluation reserve. No amortisation is provided on the properties.

Where a revaluation deficit arises on a property, and this is considered by the directors to be a permanent deficit, then the deficit is charged to the profit and loss account.

Independent professional valuations are undertaken every three years and annual reviews of these valuations are carried out by qualified internal staff.

## (iv) Stock and Work in Progress

Stock has been valued at the lower of cost and net realisable value. Work in progress has been valued at cost of direct materials and labour.

## (v) Turnover

Turnover represents the value of sales and services invoiced to customers. The company does not account for gas sales until meters are read.

## JERSEY GAS COMPANY LIMITED

## NOTES TO THE ACCOUNTS (continued)

## (vi) Deferred Taxation

Deferred taxation is provided using the liability method in respect of the taxation effect on all timing differences.

This is a departure from SSAP15 which requires provision to be made only to the extent that timing differences are likely to crystallise in the foreseeable future.

The directors have continued to adopt the full provision basis on the grounds of consistency and prudence.

## (vii) Pension Contributions

The Company operates a defined benefit pension scheme. The funds are valued every three years by a professionally qualified independent actuary, the rates of contribution payable are determined by the actuary. Pension costs are accounted for on the basis of charging the expected cost of providing pensions over the period the Company benefits from the employees' services. The effects of variations from regular cost are spread over the expected average remaining service lives of members of the scheme.

The Company has certain past employees for whom pensions have not been funded externally. A provision for the capital cost of funding these pensions is renewed annually. The charge against profits represents the pensions paid net of any movement in the provision.

## (viii) Finance and Operating Leases

Fixed assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their useful lives. The capital element of future payments is treated as a liability and the interest element is charged to profit and loss account as it accrues. Costs in respect of operating leases are charged to operating profit as they are incurred.

## (ix) Grants Receivable

Grants that relate to fixed asset expenditure are treated as deferred income in the balance sheet which is then credited to the profit and loss account over the related assets useful life. Other grants are credited to profit and loss account when received.

## 2. TURNOVER

	2001	2000
	£	£
The company turnover comprises:-		
Trading Activities	8154159	7841491
Rents	287929	241566
	-----	-----
	<u>8442088</u>	<u>8083057</u>

## JERSEY GAS COMPANY LIMITED

## NOTES TO THE ACCOUNTS (continued)

3.	INTEREST	2001	2000
		£	£
	Interest Payable		
	Loans & overdrafts wholly repayable within 5 years	1262	1704
	Bank	-	-
		-----	-----
		1262	1704
	Less: Interest receivable	( 4951 )	( 11864 )
		-----	-----
		<u>( 3689 )</u>	<u>( 10160 )</u>
4.	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2001	2000
		£	£
	Profit on ordinary activities before taxation is stated after charging/(crediting):		
	Depreciation	647877	558623
	Amortisation of grant income	( 41428 )	( 41428 )
	(Profit)/Loss on disposal of other fixed assets	( 1215 )	( 3595 )
	Operating Lease Rentals		
	- Land & Buildings	82381	89870
	- Plant & Machinery	9613	22411
	Auditors Remuneration		
	- Audit	20400	19820
	- Other Services	-	1625
	Net Rental Income	( 266471 )	( 229454 )
		-----	-----
5.	TAXATION	2001	2000
		£	£
	The taxation charge for the year comprises:		
	States of Jersey Income Tax at 20% (2000 20%) on the results for the year	256697	153257
	Deferred Taxation	24350	29786
	(Over) Provision in previous year	( 306 )	-
		-----	-----
		<u>280741</u>	<u>183043</u>

JERSEY GAS COMPANY LIMITED  
NOTES TO THE ACCOUNTS (continued)

6.	DIVIDENDS		2001	2000	
			£	£	
	Equity Shares:				
	Ordinary Shares paid		-	-	
	Non-Equity Shares:				
	5% Cumulative Preference Shares		38	38	
	3% Cumulative Preference Shares		1884	1884	
	5% Cumulative A Preference Shares		4000	4000	
			-----	-----	
			5922	5922	
			=====	=====	
	Equity Shares:				
	Ordinary Shares proposed		1140000	700000	
	Non-Equity Shares:				
	5% Cumulative Preference Shares		38	38	
	3% Cumulative Preference Shares		1884	1884	
	5% Cumulative A Preference Shares		4000	4000	
			-----	-----	
			1145922	705922	
			-----	-----	
			1151844	711844	
			=====	=====	
7.	TANGIBLE FIXED ASSETS	Freehold			
		Investment	Land and	Plant &	Motor
		Properties	Buildings	Machinery	Vehicles
		£	£	£	£
	Cost or Valuation				
	At 31.12.2000	5313910	2482028	11198441	277508
	Additions	-	3725	724471	187585
	Disposals	-	-	(2937)	(20565)
	Reclassification	32028	(32028)	-	-
	Revaluation adjustment	-	-	-	-
		-----	-----	-----	-----
	At 31.12.2001	5345938	2453725	11919975	444528
		-----	-----	-----	-----
	Depreciation				
	At 31.12.2000	-	16581	5768300	153041
	Accounts Charge	-	13419	560452	74006
	Disposals	-	-	(2937)	(20565)
	Revaluation adjustment	-	-	-	-
		-----	-----	-----	-----
	At 31.12.2001	-	30000	6325815	206482
		-----	-----	-----	-----
	Net Book Value				
	31.12.2001	5345938	2423725	5594160	238046
		=====	=====	=====	=====
	Net Book Value				
	31.12.2000	5313910	2465447	5430141	124467
		=====	=====	=====	=====

## JERSEY GAS COMPANY LIMITED

## NOTES TO THE ACCOUNTS (continued)

## 7. TANGIBLE FIXED ASSETS (continued)

The freehold properties, including those occupied by the company and investment properties, have been valued externally by Healey & Baker, International Real Estate Consultants, as at 31st December 1999 on the basis of existing use value and open market value in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors. In the opinion of the Directors, the investment properties are disclosed at a reasonable approximation to open market value as at 31<sup>st</sup> December 2001.

8.	STOCKS	2001	2000
		£	£
	Work in Progress	53423	62192
	Other Stock	346939	465372
		-----	-----
		400362	527564
		=====	=====
9.	DEBTORS	2001	2000
		£	£
	Amounts falling due within one year:		
	Trade Debtors	1102632	1159126
	Amounts due from Group Companies	2083207	2003207
	Other Debtors	193358	348339
	Prepayments and Accrued Income	104509	85212
		-----	-----
		3483706	3595884
	Amounts falling due after more than one year:		
	Trade Debtors	508155	428980
	Loans	221409	286094
		-----	-----
		729564	715074
		-----	-----
		4213270	4310958
		=====	=====
10.	CREDITORS	2001	2000
		£	£
	Amounts falling due within one year:		
	Trade Creditors	1212193	1401829
	Amounts due to Group Companies	-	-
	Other Creditors	73171	127105
	Accruals and Deferred Income	324137	328628
	Provision for Pensions	59973	61869
		-----	-----
		1669474	1919431
		=====	=====

## JERSEY GAS COMPANY LIMITED

## NOTES TO THE ACCOUNTS (continued)

## 11. BANK OVERDRAFT AND LOANS

	2001 £	2000 £
Repayable within one year:		
Bank - Overdraft	70226	201997
	<u>70226</u>	<u>201997</u>

## 12. CREDITORS

	2001 £	2000 £
Amounts falling due after more than one year:		
Other Loans	474500	474500
Accruals and Deferred Income	549427	594914
	<u>1023927</u>	<u>1069414</u>

## 13. PROVISIONS FOR LIABILITIES AND CHARGES

	Pension Obligations £	Deferred Taxation £	Total £
At 1st January 2001	339635	634049	973684
(Credited)/charged to profit and loss account	( 14546 )	24350	9804
Transfer from current liabilities	1896	-	1896
	<u>326985</u>	<u>658399</u>	<u>985384</u>

Deferred taxation provided in the accounts is as follows:-

	2001 £	2000 £
Accelerated Capital Allowances	735791	714350
Other Timing Differences	( 77392 )	( 80301 )
	<u>658399</u>	<u>634049</u>



## JERSEY GAS COMPANY LIMITED

## NOTES TO THE ACCOUNTS (continued)

14. SHARE CAPITAL	2001	2000
	£	£
Authorised:		
Equity Shares:		
Ordinary Shares of £1 each	915000	915000
Non Equity Shares:		
5% Cumulative Preference Shares of £1 each	3000	3000
3% Cumulative Preference Shares of £1 each	157000	157000
5% Cumulative 'A' Preference Shares of £1 each	200000	200000
	-----	-----
	<u>1275000</u>	<u>1275000</u>
 Allotted, Called Up and Fully Paid:		
Equity Shares:		
Ordinary Shares of £1 each	915000	915000
	-----	-----
Non Equity Shares:		
5% Cumulative Preference Shares of £1 each	1904	1904
3% Cumulative Preference Shares of £1 each	157000	157000
5% Cumulative 'A' Preference Shares of £1 each	200000	200000
	-----	-----
	<u>358904</u>	<u>358904</u>
	-----	-----
	<u>1273904</u>	<u>1273904</u>

## Dividends:

The three categories of preference shares are not entitled to participate in the profits of the company, other than to the extent of their fixed dividend.

The ordinary shares rate and abate equally in respect of any distribution, but are specifically excluded from the fixed preference dividend distributions.

## Voting Rights:

Ordinary Shares and  
5% Cumulative Preference  
Shares - one vote for every share up to a maximum of  
five hundred shares, and then one vote for every  
five shares held thereafter;

3% Cumulative Preference  
Shares and  
5% Cumulative 'A'  
Preference Shares -

One vote for every ten shares held.

JERSEY GAS COMPANY LIMITED  
NOTES TO THE ACCOUNTS (continued)

14. SHARE CAPITAL (continued)

Rights on Winding Up of the Company:

If the Company was to be wound up, the assets available for distribution amongst the members shall be applied in the following order:-

- (i) Repay to all members the amounts paid up on shares held;
- (ii) Any excess to be distributed amongst the holders of Ordinary Shares in proportion to the amount which at the time of going into liquidation had been actually paid up on their said shares respectively.

15. RESERVES	Share Premium £	Revaluation Reserve £	Capital Reserve £	Profit & Loss a/c £
At 31.12.2000	962	3121245	2850100	5664537
Retained Profit for Period	-	-	-	656
At 31.12.2001	<u>962</u>	<u>3121245</u>	<u>2850100</u>	<u>5665193</u>

16. PENSION SCHEME

The company operates a defined benefit pension scheme. The scheme is funded and the assets held separately from those of the company and are invested with an insurance company. The results of the most recent valuations were conducted as at 1st July 2000, but updated by the scheme's actuaries to take account of the requirements of FRS17 in order to assess the liability of the schemes at 31<sup>st</sup> December 2001. Scheme assets are stated at their market value.

**Main Assumptions**

Valuation method - projected unit

Discount rate

5.9%

Inflation rate assumption

3.5%

Rate of increase in pensionable salaries

4.5%

## JERSEY GAS COMPANY LIMITED

## NOTES TO THE ACCOUNTS (continued)

## 16. PENSION SCHEME (continued)

The assets and liabilities of the scheme together with the expected rate of return on scheme assets are shown below.

	% rate of return	£000
With profits insurance policies - conventional and unitised	6.5%	3020
		-----
Total market value of assets		3020
Present value of scheme liabilities		( 2750 )
		-----
Surplus in scheme		270
Related deferred tax		( 54 )
		-----
Net pension asset		<u>216</u>

The assets of the schemes are invested in insurance policies where the FRS17 investment analysis would not be appropriate.

The company has certain past employees whose pensions have not been funded by any schemes.

The provision for the present value of the capital costs of these pension amounts to £386,958 (2000 £401,504). The decrease in the provision of £14,546 (2000 decrease of £3,730) has been credited to the amounts paid to pensioners in 2001. The reason for the decrease in pension costs for the year is principally due to the movement in the provision year on year.

Pension costs comprise:	2001 £	2000 £
Funded scheme	82527	119203
Unfunded scheme	45427	58139
	-----	-----
	<u>127954</u>	<u>177342</u>

## 17. COMMITMENTS

	2001 £	2000 £
Capital Commitments:- Expenditure contracted but not provided for:	-	-
	-----	-----
	-	-
	<u>-----</u>	<u>-----</u>

## JERSEY GAS COMPANY LIMITED

## NOTES TO THE ACCOUNTS (continued)

## 17. COMMITMENTS (continued)

## Lease Commitments:-

At 31st December 2001 the company had annual commitments under non-cancellable operating leases as set out below:

	Land & Buildings		Other	
	2001	2000	2001	2000
	£	£	£	£
Operating leases which expire:				
Within one year	-	-	-	4125
Within two to five years	-	-	-	-
In over five years	89870	89870	-	-
	<u>89870</u>	<u>89870</u>	<u>-</u>	<u>4125</u>

## 18. CONTINGENT LIABILITIES

The company has given an unlimited guarantee to NatWest Offshore Limited for all monies owing to the bank by International Energy Group Limited and its other subsidiary undertakings. The amount as at 31st December 2001 is disclosed in the parent undertakings consolidated accounts.

## 19. RELATED PARTY TRANSACTIONS

## (i) Transactions with Group Undertakings

The company is exempt from related party disclosures in respect of group transactions, on the grounds that the consolidated financial statements in which the company is included are publicly available.

## (ii) Transactions with Directors and Employees

Included in Creditors are loans received in respect of Company properties occupied by employees who have an option to purchase the property at cost after a qualifying period. At 31st December 2001, fixed assets included properties occupied by employees at a cost of £1,139,490 (2000: £1,139,490), with associated loans of £474,500 (2000: £474,500) included in Creditors falling due after more than one year. The movement in the year reflects the purchase of properties.

## 20. ULTIMATE PARENT COMPANY

The company's ultimate parent company is International Energy Group Limited, a Guernsey registered company.