

Lancastrian Holdings Limited

Directors' Report and Accounts
for the year ended 31 March 2001

Registered No. 2185260



LANCASTRIAN HOLDINGS LIMITED

Directors' Report and Accounts for the year ended 31 March 2001

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LANCASTRIAN HOLDINGS LIMITED

Report of the Directors

The directors present their report and unaudited Accounts for the year ended 31 March 2001.

Results and dividend

The company made neither a profit nor a loss for the year (2000: loss £7,000). The directors recommend that no dividends be paid for the year ended 31 March 2001 (2000: £Nil).

Activities and review

The company acts as a holding company of a group of companies.

Directors and their interests

The directors who held office during the year were as follows:

Charles Berry
Ian Russell

None of the directors who held office at the end of the financial year had any disclosable interests in the shares of the company.

The interests of those directors, who are also directors of Scottish Power plc, in the shares of Scottish Power plc, the company's ultimate parent company, are disclosed in the 2000/01 Annual Report and Accounts/Form 20-F of Scottish Power plc.

Directors' responsibilities

The directors are required by UK company law to prepare Accounts 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 year.

The directors confirm that suitable accounting policies have been used and applied consistently and that reasonable and prudent judgements and estimates have been made in the preparation of the Accounts for the year ended 31 March 2001. The directors also confirm that applicable accounting standards have been followed and that the Accounts have been prepared on the going concern basis.

The directors are responsible for maintaining proper accounting records, and sufficient internal controls to safeguard the assets of the company and to prevent and detect fraud or any other irregularities.

LANCASTRIAN HOLDINGS LIMITED

Auditors

For the year ended 31 March 2001 the company was entitled to the exemption under section 249AA(1) of the Companies Act 1985.

By Order of the Board

A handwritten signature in black ink, appearing to read 'A McCulloch', written in a cursive style.

A McCulloch
Secretary
19 December 2001

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Accounting Policies

Basis of accounting

The Accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards in the UK and with the requirements of the Companies Act 1985.

Basis of preparation

The Accounts contain information about Lancastrian Holdings Limited as an individual company and do not contain consolidated financial information as the parent of subsidiary companies. The company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare consolidated Accounts as it and its subsidiary undertakings are included by full consolidation in the consolidated Accounts of the ultimate holding company Scottish Power plc, a company registered in Scotland.

Statement of cash flows

The company is exempt from including a statement of cash flows in its Accounts as it is a wholly owned subsidiary of a company incorporated in the UK which has included a consolidated statement of cash flows in its consolidated Accounts.

Investments

Investments are stated in the balance sheet at cost, or nominal value of the shares issued as consideration where applicable, less provision for any impairment in value.

Taxation

The credit for ordinary taxation is based on the losses for the year and takes into account taxation deferred, using the liability method, in respect of timing differences to the extent that it is probable that a liability will crystallise in the foreseeable future. Such timing differences arise primarily from the differing treatment for taxation and accounting purposes of provisions and depreciation of fixed assets.

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Profit and Loss Account for the year ended 31 March 2001

	Notes	2001 £'000	2000 £'000
Administrative expenses		-	(6)
Operating loss from discontinued operations	1	-	(6)
Interest payable	2	-	(1)
Loss on ordinary activities before and after taxation		-	(7)
Retained loss for the year	6	-	(7)

A statement of total recognised gains and losses and a reconciliation to historical cost profits and losses are not shown as all gains and losses for 2000 and 2001 are recognised in the profit and loss account.

The Accounting Policies on page 4, together with the Notes on pages 7 to 8, form part of these Accounts.

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Balance Sheet as at 31 March 2001

	Notes	2001 £'000	2000 £'000
Current assets			
Debtors	4	891	891
Net current assets		891	891
Net assets		891	891
<hr/>			
Called up share capital	5,6	220	220
Profit and loss account	6	671	671
Equity shareholders' funds	6	891	891

The Accounting Policies on page 4, together with the Notes on pages 7 to 8, form part of these Accounts.

For the year ended 31 March 2001 the company was entitled to the exemption under section 249AA(1) of the Companies Act 1985.

Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

- (i) ensuring the company keeps accounting records which comply with section 221; and
- (ii) preparing accounts 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 its profit or loss for the financial year, in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

Approved by the Board on 19 December 2001 and signed on its behalf by



Ian Russell
Director

LANCASTRIAN HOLDINGS LIMITED

Notes to the Accounts for the year ended 31 March 2001

1 Operating loss

	2001 £'000	2000 £'000
Operating loss is stated after charging:		
Depreciation :-		
- Tangible fixed assets acquired under finance leases	-	5

2 Interest payable

	2001 £'000	2000 £'000
On finance leases	-	(1)
Total interest payable	-	(1)

3 Fixed asset investments

	Subsidiary undertakings £
Closing cost at 31 March 2000 and 31 March 2001	4

Principal subsidiary undertakings	Principal Activity	Country of registration	Holding
Megafone (UK) Limited	Dormant	England	100%
Psychic Companions Limited	Dormant	England	100%

4 Debtors

	2001 £'000	2000 £'000
Amounts falling due within one year :		
Amounts due from group undertakings	891	891
	891	891

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Notes to the Accounts for the year ended 31 March 2001

5 Share capital

	2001 £'000	2000 £'000
Authorised :		
300,020 Ordinary shares of £1 each	300	300
Allotted, called up and fully paid :		
220,022 Ordinary shares of £1 each	220	220

6 Reconciliation of movements in shareholders' funds

	Share capital £'000	Profit and loss account £'000	Total 2001 £'000	Total 2000 £'000
Balance at 1 April	220	671	891	898
Loss for the year	-	-	-	(7)
Balance at 31 March	220	671	891	891

7 Directors' emoluments and interests

No remuneration was paid to any of the directors during the year to 31 March 2001 for their services as directors of Lancastrian Holdings Limited (2000: £Nil).

8 Related party transactions

Scottish Power plc has ultimate control over the company. The company has taken an exemption, as allowed under Financial Reporting Standard 8, not to disclose related party transactions with other group companies as the parent company publishes full statutory consolidated Accounts.

9 Ultimate parent company

Lancastrian Holdings Limited is a wholly owned subsidiary of ScottishPower Telecommunications Limited, a company registered in Scotland. The ultimate parent company is Scottish Power plc.

Copies of the ultimate parent company's consolidated Accounts may be obtained from The Secretary, Scottish Power plc, 1 Atlantic Quay, Glasgow G2 8SP.