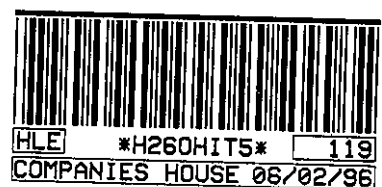


MANWEB ENERGY CONSULTANTS LIMITED

REPORT AND ACCOUNTS

for the year to 31 March 1995



REPORT AND ACCOUNTS

31 MARCH 1995

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REPORT OF THE DIRECTORS

The Directors present their report and the audited financial statements for the year ended 31 March 1995.

PRINCIPAL ACTIVITY

The principal activity of the company is providing energy services.

RESULTS

The company made a profit before tax of £21,240 in the year to 31 March 1995, (profit of £497 before tax in the year to 31 March 1994).

The directors do not propose a dividend and the profit for the year of £15,778 (profit of £397 for the year to 31 March 1994), has been transferred to reserves.

FUTURE PROSPECTS

The company offers a range of impartial energy services on a paid for basis and continues to secure contracts with leading public and private sector organisations.

DIRECTORS

The directors holding office since 1 April 1994 were:

	<u>Appointed:</u>	<u>Resigned:</u>
C W Leonard		12 October 1995
I J Sharpe		
J Astall		31 October 1994
M J Kinski	12 October 1995	
R D Green	12 October 1995	

Mr C W Leonard is also a director of the ultimate parent company, Manweb plc, and his shareholding in that company is disclosed in its accounts.

The interest of Mr I J Sharpe in the shares of the ultimate parent company, Manweb plc, is as follows:

<u>31 March 1995</u>			<u>31 March 1994</u>		
<u>Shares under option</u>			<u>Shares under option</u>		
Ordinary Shares	Sharesave Scheme	Exec Scheme	Ordinary Shares	Sharesave Scheme	Exec Scheme
2,199	1,200	9,114	2,199	1,200	9,114

No director in office at 31 March 1995 had any interest in the share capital of the company.

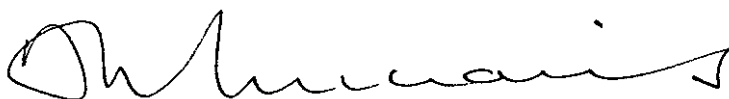
CLOSE COMPANY PROVISIONS

Manweb Energy Consultants Limited is not a close company as defined by the Income and Corporation Taxes Act 1988.

AUDITORS

Touche Ross & Co. are not seeking re-appointment as auditors, and a resolution to appoint Coopers & Lybrand in their place will be proposed at the forthcoming Annual General Meeting.

By Order of the Board



D.N.WILLIAMS

Company Secretary

PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. The principal accounting policies adopted are as follows:

ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost convention.

TURNOVER

Turnover represents the amounts received or receivable for goods and services provided to customers, excluding VAT. In respect of energy saving contracts, income is recognised on inception.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost .

Depreciation is provided on the straight-line method over the expected useful lives of each category of tangible fixed assets :

	<i>Years</i>
General Plant	Up to 5
Fixtures and equipment	Up to 5

OPERATING LEASES

Rentals payable under operating leases are charged to profit and loss account on the straight-line basis over the lease term.

PENSION COSTS

The company makes contributions on behalf of employees to the Electricity Supply Pension Scheme of which the company is a member through the Manweb plc group .

Contributions are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company .

PROFIT AND LOSS ACCOUNT*for the year ended 31 March 1995*

	Note	1995 £	1994 £
Turnover		166,481	107,194
Cost of Sales		12,918	-
Gross profit		153,563	107,194
Administrative expenses		(131,052)	(108,354)
Profit / (loss) before interest	1	22,511	(1,160)
Net Interest	2	(1,271)	1,657
Profit on ordinary activities before taxation		21,240	497
Tax on profit on ordinary activities	4	(5,462)	(100)
Profit for the year transferred to reserves	8	15,778	397

Turnover is all in respect of sales to U. K. customers.

The results shown above are in respect of continuing operations.

There are no other recognised gains or losses other than the profit for the year, and the profit for the preceding financial year shown above.

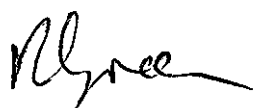
A statement of the movement on reserves can be found in note 8 (b).

BALANCE SHEET

as at 31 March 1995

	Note	1995 £	1994 £
FIXED ASSETS			
Tangible assets	5	4,830	8,034
CURRENT ASSETS			
Debtors		269,705	120,097
Cash at Bank and in Hand		21,272	9,290
		<u>290,977</u>	<u>129,387</u>
CURRENT LIABILITIES			
Creditors : amounts falling due within one year		(18,926)	(26,318)
Net current assets	6	272,051	103,069
Total assets less current liabilities		<u>276,881</u>	<u>111,103</u>
OTHER LIABILITIES			
Creditors : amounts falling due after more than one year	7	(200,000)	(50,000)
		<u>76,881</u>	<u>61,103</u>
CAPITAL & RESERVES			
Called up share capital		75,000	75,000
Profit and loss account		1,881	(13,897)
Total equity shareholders' funds	8	<u>76,881</u>	<u>61,103</u>

The accounts were approved by the Board of Directors on 29 January 1996 and signed on its behalf by :



R D Green Director

NOTES TO THE FINANCIAL STATEMENTS

1. LOSS BEFORE INTEREST	Loss before interest is stated after charging :	1995 £	1994 £
	Depreciation of tangible fixed assets	3,204	3,182
	Operating lease rentals - Plant,machinery and equipment	3,576	3,917
	Auditors' remuneration - Audit work	1,600	1,400
2. NET INTEREST	Net Interest :	1995 £	1994 £
	Interest payable and similar charges		
	On loan from group undertaking	(4,329)	(300)
	Interest receivable		
	Other	3,058	1,957
		(1,271)	1,657
3. DIRECTORS AND EMPLOYEES	(a) Directors' Emoluments		
	No amounts were paid to, or receivable by, any director of the company specifically in respect of his services as a director of the company or otherwise in connection with the management of its affairs. The emoluments of Mr C W Leonard,who is also a director of Manweb plc, are disclosed in the accounts of that company .		
	(b) Employment costs	1995 £	1994 £
	Wages and salaries	60,049	72,235
	Social security costs	5,073	6,206
	Other pension costs	6,447	7,680
		71,569	86,121
	(c) Number of employees		
		1995 Average	1994 Average
	Non-industrial	5	5
		5	5
4. TAX	Tax on profit on ordinary activities	1995 £	1994 £
	UK corporation tax at 25% (1994 - 33%)	7,000	100
	Prior year adjustment - Group relief receivable	(1,838)	-
	Prior year adjustment	300	-
		5,462	100

NOTES TO THE FINANCIAL STATEMENTS

5. FIXED ASSETS
TANGIBLE
ASSETS

	Plant	Fixtures & Equipment	Total
	£	£	£
Cost			
At 1 April 1994	3,990	8,036	12,026
Additions	-	-	-
At 31 March 1995	3,990	8,036	12,026
Depreciation			
At 1 April 1994	974	3,018	3,992
Charge for the year	780	2,424	3,204
At 31 March 1995	1,754	5,442	7,196
Net book value at 31 March 1995	2,236	2,594	4,830

6. NET
CURRENT
ASSETS

	1995	1994
	£	£
(a) Debtors		
Trade debtors	45,968	9,319
Amounts owed by group undertakings	36,224	53,997
Other debtors	1,613	7,781
Prepayments and accrued income	185,900	49,000
	<u>269,705</u>	<u>120,097</u>

Included above are amounts falling due after more than one year :
Trade debtors £16,128 (1994 : nil)
Prepayments and accrued income £134,420 (1994 : £37,000).

	1995	1994
	£	£
(b) Creditors : amounts falling due within one year		
Amount owed to group undertaking	-	9,959
Corporation tax	7,000	100
Other taxation and social security	3,060	-
Other creditors	8,866	16,259
	<u>18,926</u>	<u>26,318</u>

7. OTHER
LIABILITIES

	1995	1994
	£	£
Creditors : amounts falling due after more than one year		
Amounts owed to group undertaking	200,000	50,000

The amount owed to group undertaking is repayable between 1 and 2 years and not by instalments.

8. CAPITAL
AND
RESERVES

	1995	1994	1995	1994
	Number of shares		£	£
(a) Share Capital				
Authorised	250,000	250,000	250,000	250,000
Ordinary shares of £1 each				
Allotted and fully paid	75,000	75,000	75,000	75,000
Ordinary shares of £1 each				
(b) Reconciliation of movement in shareholders' funds	Share Capital	Profit & Loss	Total	Total
	£	£	£	£
Retained profit for the financial period	-	15,778	15,778	397
Opening shareholders' funds	75,000	(13,897)	61,103	60,706
Closing shareholders' funds	<u>75,000</u>	<u>1,881</u>	<u>76,881</u>	<u>61,103</u>

NOTES TO THE FINANCIAL STATEMENTS

9. PENSION
COMMITMENTS

The company belongs to the Electricity Supply Pension Scheme of the Manweb plc group.

The assets of the Scheme are held in a separate trustee administered fund.

The company's employees are entitled to join this Scheme which provides pension and other related benefits based on final pensionable pay to employees throughout the Electricity Supply Industry.

The latest full actuarial valuation of the Group's section of the Scheme was carried out by Bacon & Woodrow, Consulting Actuaries, as at 31 March 1992 and the results of this valuation have been used as the basis for assessing pension cost.

Details of this actuarial valuation of the scheme are disclosed in the report and accounts of the ultimate parent company as at 31 March 1995, Manweb plc.

Pension contributions are based on pension costs across the group as a whole.

Pension cost charged to profit on ordinary activities was £6,447 for the year (1994 £7,680)

10. OPERATING
LEASE
COMMITMENTS

	1995 £	1994 £
Annual rentals on leases expiring :		
Equipment and vehicles		
Within one year	3,576	-
In the second to fifth year inclusive		3,917

11. ULTIMATE
PARENT
COMPANY

The company is a wholly-owned subsidiary of Manweb Holdings Limited, a company incorporated and registered in England and Wales. The ultimate parent at 31 March 1995 was Manweb plc, a company incorporated and registered in England and Wales.

Subsequent to 31 March 1995, Manweb plc was acquired by Scottish Power plc.

Copies of the financial statements of Manweb plc can be obtained from Sealand Road, Chester, CH1 4LR.

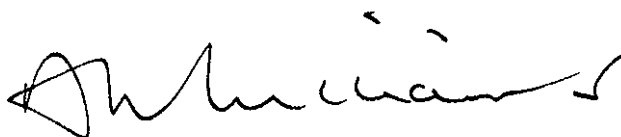
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 as at the end of the financial year 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 ;
- 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.

By Order of the Board

A handwritten signature in black ink, appearing to read 'D.N. Williams', with a stylized flourish at the end.

D.N.WILLIAMS

Company Secretary

29 January 1996

REPORT OF THE AUDITORS

to the members of Manweb Energy Consultants Limited

We have audited the financial statements on pages 3 to 8 which have been prepared under the accounting policies set out on page 3.

Respective Responsibilities of Directors and Auditors

As described on page 9, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and report our opinion to you.

Basis of 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 circumstances of the company, 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 March 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Touche Ross & Co.

Chartered Accountants and Registered Auditors

10/12 East Parade
LEEDS LS1 2AJ

31 January 1996