

Manweb Energy Consultants Limited

Directors' Report and Accounts

For the year ended 31 March 2000

Registered No. 2721712



Manweb Energy Consultants Limited

Directors' Report and Accounts

For the year ended 31 March 2000

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Manweb Energy Consultants Limited

Report of the Directors

The directors present their report and audited Accounts for the year ended 31 March 2000.

Results and Dividend

The profit for the year amounted to £38,000 (1999: £80,000). The directors recommend that no dividend be paid for the year ended 31 March 2000 (1999: nil) and that the profit for the year be transferred to reserves.

Activities and Review

The company's principal activity is providing energy services.

The company is no longer pursuing new customer business; only those contracts that are under negotiation, in existence or related to those in existence will be serviced. New business and new contracts will be contracted by Scottish Power plc (the ultimate parent company).

Directors and their interests

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

Stewart Henry Saunders (appointed on 30 September 1999)

Kenneth Leslie Vowles (appointed on 20 August 1999)

Robert David Green (resigned on 20 August 1999)

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company. The interest of the directors (other than those of who are also directors of Scottish Power plc) in the shares of Scottish Power plc at the end and beginning of the year (or date of appointment if later) were as follows:

	Ordinary Shares		Share Options				Long Term Incentive Plan	
	31.3.00	30.09.99	Sharesave Scheme	Executive Scheme	31.3.00	30.09.99	*31.3.00	*30.09.99
Stewart Saunders (appointed 30 September 1999)	-	-	5,501	5,501	329	329	15,873	15,873

*These shares represent, in each case, the maximum number of shares which the directors may receive, dependent on the satisfaction of performance criteria as approved by the shareholders of Scottish Power plc in connection with the Long Term Incentive Plan.

The interests of those directors who are also directors of Scottish Power plc in the shares of Scottish Power plc are disclosed in the 1999-00 Annual Report and Accounts / Form 20-F of Scottish Power plc.

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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 and loss of the company for that period.

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 2000. 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.

Auditors

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

By order of the Board



A W McCulloch
Secretary

8 JAN 2001

Manweb Energy Consultants Limited

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.

Statements 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 Scottish Power plc, which has included a consolidated statement of cash flows in its consolidated Accounts.

Turnover

Turnover represents the amounts receivable for goods and services provided to customers, excluding VAT. In respect of energy savings contracts, income is recognised on a straight-line basis over the contractual period.

Interest

Interest payable and receivable is reflected in the profit and loss account as it arises.

Tangible fixed assets

Tangible fixed assets are stated at cost and are depreciated on the straight-line method over their estimate operational lives being the term of the relevant contract.

Taxation

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

Government grants

Government grants in respect of capital and deferred expenditure are treated as deferred income and are released to the profit and loss account on a straight line basis over the period of the contract to which it relates.

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Profit and Loss Account

for the year ended 31 March 2000

	Notes	2000 £'000	1999 £'000
Turnover from continuing operations	1	1,022	1,104
Cost of sales		(664)	(734)
Gross profit from continuing operations		358	370
Administrative expenses		(238)	(196)
Other operating income		25	-
Operating profit from continuing operations	2	145	174
Net interest charge	4	-	(1)
Operating profit on ordinary activities before taxation		145	173
Taxation	5	(107)	(93)
Profit for the financial year		38	80

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 1999 and 2000 are recognised in the profit and loss account under the historical cost convention.

The Accounting Policies on page 4, together with the Notes on pages 7 to 10, form part of these Accounts.

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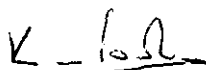
Balance Sheet

as at 31 March 2000

	Notes	2000 £'000	1999 £'000
Fixed assets			
Tangible assets	6	54	148
Current assets			
Debtors:			
Amounts falling due within one year	7	551	1,209
Amounts falling due after more than one year	7	681	1,099
Total Debtors		1,232	2,308
Short term bank and other deposits		2,440	1,690
		3,672	3,998
Creditors: amounts falling due within one year	8	(262)	(561)
Net current assets		3,410	3,437
Total assets less current liabilities		3,464	3,585
Creditors: amounts falling due after more than one year	8	(2,874)	(2,757)
Deferred income	9	(421)	(697)
Net assets		169	131
Called up share capital	10	75	75
Profit and loss account	11	94	56
Equity shareholders' funds		169	131

The Accounting Policies on page 4, together with the Notes on pages 7 to 10, form part of these Accounts.

Approved by the Board on 8 JAN 2001 and signed on its behalf by:



K L Vowles
Director

Manweb Energy Consultants Limited

Notes to the Accounts

for the year ended 31 March 2000

1 Turnover

Turnover consists entirely of sales made in the United Kingdom and the release of Government grants.

2 Operating profit

	2000 £'000	1999 £'000
Operating profit is stated after (crediting)/charging:		
Amortisation of government grants	(276)	(339)
Depreciation	94	96
Management charge	116	157

The company has no employees. None of the directors received any remuneration from the company, or from related companies in respect of their services to the company. The company uses the services of its parent, for which a management charge, none of which relates to the services of the directors, is made and is included in administrative expenses.

3 Employee information

The company has no employees.

4 Net interest charge

	2000 £'000	1999 £'000
Interest on VAT declaration	-	(1)
Net interest charge	-	(1)

5 Taxation

	2000 £'000	1999 £'000
The charge based on profit for the year comprised:		
UK Corporation Tax at 30% (1999 31%)	107	93

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Notes to the Accounts continued

6 Tangible fixed assets

	Plant £'000	Fixtures and equipment £'000	Total £'000
Cost:			
At 1 April 1999 and 31 March 2000	392	8	400
Depreciation:			
At 1 April 1999	244	8	252
Charge for the year	94	-	94
At 31 March 2000	338	8	346
Net book value:			
At 31 March 2000	54	-	54
At 31 March 1999	148	-	148

7 Debtors

	2,000 £'000	1999 £'000
(a) Amounts falling due within one year:		
Trade debtors	226	276
Prepayments and accrued income	138	375
Deferred expenditure	187	558
	551	1,209
(b) Amounts falling due after more than one year:		
Deferred expenditure	681	1,099
	1,232	2,308

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Notes to the Accounts continued

8 Other creditors

(a) Amounts falling due within one year:	2000 £'000	1999 £'000
Trade creditors	-	2
Corporation tax	228	214
Other taxation and social security	-	98
Other creditors	34	247
	262	561

(b) Amounts falling due after more than one year:	2000 £'000	1999 £'000
Amounts owed to parent company and fellow subsidiary undertakings	2,874	2,757

9 Deferred income

	1 April 1999 £'000	Amortised £'000	31 March 2000 £'000
Grants	697	(276)	421

10 Share capital

	2000 £'000	1999 £'000
Authorised		
250,000 ordinary shares of £1 each	250	250
Allotted, called up and fully paid		
75,000 ordinary shares of £1 each	75	75

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Notes to the Accounts continued

11 Reconciliation of movements in shareholder's funds

	Share capital £'000	Profit and loss account £'000	Total £'000
Balance at 1 April 1999	75	56	131
Retained profit for the year	-	38	38
Balance at 31 March 2000	75	94	169
Balance at 1 April 1998	75	(24)	51
Retained profit for the year	-	80	80
Balance at 31 March 1999	75	56	131

12 Related party transactions

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

13 Ultimate Parent Company

The directors regard Scottish Power plc, a company registered in Scotland, as the ultimate parent undertaking. Copies of the ultimate parent's consolidated Accounts may be obtained from The Company Secretary, Scottish Power plc, 1 Atlantic Quay, Glasgow, G2 8SP.

Manweb Energy Consultants Limited

Report of the Auditors to the members of Manweb Energy Consultants Limited

We have audited the Accounts on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out page 4.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Directors' Report and Accounts. As described on page 3, this includes responsibility for preparing the Accounts, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the Accounts give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the Report of the Directors is not consistent with the Accounts, 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Accounts.

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 Accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the Accounts, 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 Accounts 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 Accounts.

Opinion

In our opinion the Accounts give a true and fair view of the state of the company's affairs at 31 March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Glasgow



8 JAN 2001