

Manweb Energy Consultants Limited

**Director's Report and Accounts
For the year ended 31 March 1999**

Registered No. 2721712



A26
COMPANIES HOUSE

A9QP6NJA

0398
29/01/00

Manweb Energy Consultants Limited

Director's Report and Accounts for the year ended 31 March 1999

Contents	Page
Report of the Directors	2
Accounting Policies	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Accounts	7
Report of the Auditors	11

Manweb Energy Consultants Limited

Report of the Directors

The directors present their report and audited Accounts for the year ended 31 March 1999.

Results and dividend

The profit for the year amounted to £80,000 (1998: £246,000). The directors recommend that no dividend be paid for the year ended 31 March 1999 (1998: 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 which 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 director who held office during the year is as follows:

Robert Green:

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 beginning, or date of appointment if later, and end of the year were as follows:

	Ordinary Shares				Share Options			
			Sharesave Scheme		Executive Scheme		*LongTerm Incentive Scheme	
	31.3.99	1.4.98	31.3.99	1.4.98	31.3.99	1.4.98	31.3.99	1.4.98
Robert Green	-	-	2,215	-	219	219	13054	17487

* 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.

Sharesave Scheme		1.4.98	Granted	Exercised	31.3.99
Robert Green		-	2,215	-	2,215
Long Term Incentive Plan		1.4.98	Granted	Exercised	31.3.99
Robert Green		13054	4433	-	17487

Manweb Energy Consultants Limited

In the period between the 31 March and 25 October 1999, Robert Green resigned as director on 20 August 1999, and both Stewart Saunders and Kenneth Vowles were appointed as directors, on 20 August 1999 and 30 September 1999, respectively.

Director's responsibilities

The director is 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 period.

The director confirms 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 1999. The director also confirms that applicable accounting standards have been followed and that the Accounts have been prepared on the going concern basis.

The director is 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.

Year 2000 Policy Statement

A Year 2000 strategy has been established for the ScottishPower group of which Manweb Energy Consultants Limited is a member. Details are contained within the 1998 - 99 Annual Report and Accounts of Scottish Power plc.

Auditors

The auditors, Coopers & Lybrand, merged with Price Waterhouse on 1 July 1998. Following this, Coopers & Lybrand resigned and, on 2 October 1998, the director appointed the new firm PricewaterhouseCoopers as auditors. Special notice has been received by the company of the intention to propose a resolution to re-appoint PricewaterhouseCoopers as auditors to the company at the Annual General Meeting. PricewaterhouseCoopers have expressed their willingness to continue in office.

By order of the Board



A W McCulloch

Secretary

25 October 1999

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.

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 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 estimated 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 crystallise 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.

Manweb Energy Consultants Limited

Profit and Loss Account

for the year ended 31 March 1999

	Notes	1999 £'000	1998 £'000
Turnover from continuing operations	1	1,104	1,098
Cost of sales		(734)	(713)
Gross profit from continuing operations		370	385
Administrative expenses		(196)	44
Operating profit	2	174	429
Net interest charge	4	(1)	-
Operating profit on ordinary activities before taxation		173	429
Taxation	5	(93)	(183)
Profit for the financial year		80	246

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 1998 and 1999 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.

Manweb Energy Consultants Limited

Balance Sheet

as at 31 March 1999

	Notes	1999 £'000	1998 £'000
Fixed assets			
Tangible assets	6	148	244
Current assets			
Debtors:			
Amounts falling due within one year	7	1,209	1,280
Amounts falling due after more than one year	7	1,099	1,113
Total Debtors		2,308	2,393
Short term bank and other deposits		1,690	1,192
		3,998	3,585
Creditors: amounts falling due within one year	8	(561)	(297)
Net current assets		3,437	3,288
Total assets less current liabilities		3,585	3,532
Creditors: amounts falling due after more than one year	8	(2,757)	(2,599)
Deferred income	9	(697)	(882)
Net assets		131	51
Called up share capital	10	75	75
Profit and loss account	11	56	(24)
Equity shareholders' funds		131	51

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 25 October 1999, and signed on its behalf by:



Kenneth Vowles
Director

Manweb Energy Consultants Limited

Notes to the Accounts

for the year ended 31 March 1999

1 Turnover

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

2 Operating profit

	1999 £'000	1998 £'000
Operating profit is stated after (crediting)/charging:		
Amortisation of government grants	(339)	(321)
Release of bad debt provision	-	(164)
Depreciation	96	97
Management charge	157	134

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 director, is made and is included in administrative expenses.

3 Employee information

The company has no employees.

4 Net interest charge

	1999 £'000	1998 £'000
Interest on VAT declaration.	(1)	-
Net interest charge	(1)	-

5 Taxation

	1999 £'000	1998 £'000
The charge based on profit for the year comprised:		
UK Corporation Tax at 31% (1998 31%)	93	183

Manweb Energy Consultants Limited

Notes to the Accounts continued

6 Tangible fixed assets

	Plant £'000	Fixtures and equipment £'000	Total £'000
Cost:			
At 1 April 1998 and 31 March 1999	392	8	400
Depreciation:			
At 1 April 1998	148	8	156
Charge for the year	96	-	96
At 31 March 1999	244	8	252
Net book value:			
At 31 March 1999	148	-	148
At 31 March 1998	244	-	244

7 Debtors

	1999 £'000	1998 £'000
(a) Amounts falling due within one year:		
Trade debtors	276	230
Prepayments and accrued income	375	443
Deferred expenditure	558	607
	1,209	1,280
(b) Amounts falling due after more than one year:		
Deferred expenditure	1,099	1,113
	2,308	2,393

Manweb Energy Consultants Limited

Notes to the Accounts continued

8 Other creditors

(a) Amounts falling due within one year:	1999 £'000	1998 £'000
Trade creditors	2	2
Corporation tax	214	184
Other taxation and social security	98	8
Other creditors	247	103
	561	297

(b) Amounts falling due after more than one year:	1999 £'000	1998 £'000
Amounts owed to parent company and fellow subsidiary undertakings	2,757	2,599

9 Deferred income

	1 April 1998 £'000	Receivable during year £'000	Amortised £'000	31 March 1999 £'000
Grants	882	154	(339)	697

10 Share capital

	1999 £'000	1998 £'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

Manweb Energy Consultants Limited

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 1998	75	(24)	51
Retained profit for the year	-	80	80
Balance at 31 March 1999	75	56	131
Balance at 1 April 1997	75	(270)	(195)
Retained profit for the year	-	246	246
Balance at 31 March 1998	75	(24)	51

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 No. 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 director regards 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.

Respective responsibilities of directors and auditors

As described on page 3, the company's director is responsible for the preparation of the Accounts. Our responsibilities, as independent auditors, are established 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 Companies Act. We also report to you if, in our opinion, the Report of the Director 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 director's remuneration and transactions is not disclosed.

We read the information contained in the Report of the Director and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Accounts.

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 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 any 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 affairs of the company at 31 March 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers
PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

Glasgow

25 October 1999