

**REGISTERED NO.**  
**2764438**

**SSEPG (Operations) Limited**

**Accounts for the year ended 31 March 2008**

<b>CONTENTS</b>	<b>Page No.</b>
Report of the Directors	1
Statement of directors' responsibilities in respect of the Directors' Report and the Accounts	2
Independent Auditors' Report to the Members	3
Profit and Loss Account	4
Balance Sheet	5
Statement of Total Recognised Gains and Losses and Reconciliation of Movements in Shareholders' Funds	6
Notes on the Accounts	7 - 14



## **SSEPG (Operations) Limited**

### **Report of the Directors**

The Directors present their report together with the audited Accounts for the year ended 31 March 2008

#### **1. Principal Activities**

The Company's principal activity is the development, construction and operation of small-scale power plants

#### **2. Business Review**

The Directors do not anticipate any change in the activities of the Company in the forthcoming period

#### **3. Results and Dividends**

The loss for the financial year amounted to £0.4m (2007 - £2.5m loss). The Directors do not recommend the payment of a dividend (2007 - £nil)

#### **4. Directors**

The Directors who served during the year were as follows -

Paul Smith  
Brian Smith

#### **5. Political and Charitable Donations**

During the year, no charitable or political donations were made

#### **6. Employment Policies**

Staff are actively encouraged to be involved in Company affairs in a wide variety of ways. These include monthly team meetings, briefing documents and internal videos. Policies on such matters as Equal Opportunities and Health and Safety are regularly communicated to staff and involvement is supported through local committees. New staff joining the Company receive induction training.

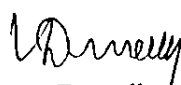
It is Company policy, where possible, to provide employment opportunities for disabled people. Staff who become disabled are supported in continuing employment through identification of suitable jobs and the provision of necessary retraining.

#### **7. Auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that ought to have been taken as a director to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD

  
Vincent Donnelly  
Secretary  
3 September 2008

## **SSEPG (Operations) Limited**

### **Statement of directors' responsibilities in respect of the Directors' Report and the Accounts**

The directors are responsible for preparing the Directors' Report and the Accounts in accordance with applicable law and regulations

Company law requires the directors to prepare Accounts for each financial year. Under that law they have elected to prepare the Accounts in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The Accounts are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period

In preparing these Accounts, 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Accounts, and
- prepare the Accounts 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its Accounts comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

## **SSEPG (Operations) Limited**

### **Independent Auditors' Report to the Members of SSEPG (Operations) Limited**

We have audited the Accounts of SSEPG (Operations) Limited for the year ended 31 March 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholders' Funds and the related notes. These Accounts have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Accounts in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the Accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the Accounts.

In addition, we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its loss for the year then ended,
- the Accounts have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the Accounts.



KPMG Audit Plc  
Chartered Accountants  
Registered Auditor  
Edinburgh  
3 September 2008

## **SSEPG (Operations) Limited**

### **Profit and Loss Account for the year ended 31 March 2008**

	<b>Note</b>	<b>2008 £m</b>	<b>2007 £m</b>
<b>Turnover</b>		<b>26.5</b>	<b>9.6</b>
Cost of sales		<b>(25.5)</b>	<b>(11.0)</b>
<b>Operating profit/(loss)</b>	<b>2</b>	<b>1.0</b>	<b>(1.4)</b>
Interest payable	<b>5</b>	<b>(2.1)</b>	<b>(2.2)</b>
<b>Loss on ordinary activities before taxation</b>		<b>(1.1)</b>	<b>(3.6)</b>
Taxation on loss on ordinary activities	<b>6</b>	<b>0.7</b>	<b>1.1</b>
<b>Loss for the financial year</b>	<b>14</b>	<b>(0.4)</b>	<b>(2.5)</b>

The above results are derived from continuing activities

The accompanying notes form part of these Accounts

## SSEPG (Operations) Limited

### Balance Sheet as at 31 March 2008

	Note	2008 £m	2007 £m
<b>Tangible fixed assets</b>	7	<u>27.7</u>	<u>28.5</u>
<b>Current assets</b>			
Stocks	8	0.4	0.4
Debtors amounts falling due within one year	9	8.0	7.8
amounts falling due after more than one year	9	<u>5.2</u>	<u>5.2</u>
Total debtors		<u>13.2</u>	<u>13.0</u>
		13.6	13.4
<b>Creditors: amounts falling due within one year</b>	10	<u>(42.4)</u>	<u>(42.0)</u>
<b>Net current liabilities</b>		<u>(28.8)</u>	<u>(28.6)</u>
<b>Total assets less current liabilities</b>		<u>(1.1)</u>	<u>(0.1)</u>
<b>Creditors amounts falling due after more than one year</b>	11	<u>(6.4)</u>	<u>(6.4)</u>
<b>Provisions for liabilities and charges</b>			
Deferred taxation	12	<u>(5.5)</u>	<u>(6.1)</u>
<b>Net liabilities</b>		<u>(13.0)</u>	<u>(12.6)</u>
<b>Capital and reserves</b>			
Called up share capital	13	1.2	1.2
Profit and loss account	14	<u>(14.2)</u>	<u>(13.8)</u>
<b>Deficit in shareholders' funds</b>		<u>(13.0)</u>	<u>(12.6)</u>

These Accounts were approved by the Directors on 3 September 2008 and signed by

Paul R. Smith

Paul Smith, Director

## **SSEPG (Operations) Limited**

### **Statement of Total Recognised Gains and Losses for the year ended 31 March 2008**

	<b>2008</b>	<b>2007</b>
	<b>£m</b>	<b>£m</b>
Loss for the financial year	<u>(0.4)</u>	<u>(2.5)</u>
<b>Total recognised gains and losses relating to the financial year</b>	<b><u>(0.4)</u></b>	<b><u>(2.5)</u></b>

### **Reconciliation of Movements in Shareholders' Funds as at 31 March 2008**

	<b>2008</b>	<b>2007</b>
	<b>£m</b>	<b>£m</b>
Loss for the financial year	<u>(0.4)</u>	<u>(2.5)</u>
<b>Net reduction in to shareholders' funds</b>	<b><u>(0.4)</u></b>	<b><u>(2.5)</u></b>
Opening deficit in shareholders' funds	<u>(12.6)</u>	<u>(10.1)</u>
<b>Closing deficit in shareholders' funds</b>	<b><u>(13.0)</u></b>	<b><u>(12.6)</u></b>

## **SSEPG (Operations) Limited**

### **Notes on the Accounts for the year ended 31 March 2008**

#### **1 Significant accounting policies**

##### **Basis of preparation**

The Accounts have been prepared in accordance with all applicable United Kingdom accounting standards. The principal accounting policies are summarised below and have been applied consistently.

Under Financial Reporting Standard 1 (FRS 1), the Company is exempt from the requirement to prepare a cash flow statement on the grounds that the ultimate parent undertaking includes the Company in its own published consolidated Accounts.

As the Company is a wholly owned subsidiary of Scottish and Southern Energy plc (SSE plc), it has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the Scottish and Southern Energy Group (the Group).

##### **Turnover**

Turnover, stated net of value added tax, represents the amounts derived from the generation and sale of electricity, together with the provision of other goods and services in the UK.

##### **Taxation**

The charge for taxation is based on the profit or loss for the year and takes into account deferred taxation.

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted, or substantially enacted, by the balance sheet date.

Deferred taxation arises in respect of items where there are timing differences between their treatment for accounting and taxation purposes. This is recognised where an obligation to pay more tax in the future has originated but not reversed at the balance sheet date. A deferred tax asset is recognised only when it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

##### **Tangible Fixed Assets**

###### **(i) Depreciation**

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and machinery	15 years
---------------------	----------

###### **(ii) Subsequent expenditure**

Expenditure incurred to replace a component of a tangible fixed asset that is accounted for separately is capitalised. Other subsequent expenditure is capitalised only when it increases the future economic benefits of the tangible fixed asset to which it relates.

##### **Stocks**

Stocks are valued at the lower of cost and net realisable value.



## **SSEPG (Operations) Limited**

### **Notes on the Accounts for the year ended 31 March 2008**

#### **1. Principal accounting policies (continued)**

##### **Employee benefit obligations**

###### **Pensions**

Contributions to pension schemes on behalf of the employees of the Company are charged to the profit and loss account in accordance with the contributions incurred in the year

###### **Equity and equity-related compensation benefits**

Scottish and Southern Energy plc, the ultimate parent of the Company, operates a number of All Employee Share Schemes as described in the Remuneration Report of the Group. These schemes enable Group employees to acquire shares of the ultimate parent company. The employees of the Company are entitled, where applicable, to participate in these schemes. The Company has not been charged with the cash cost of acquiring shares on behalf of its employees, this cost is borne by the Ultimate Parent Company. Where the fair value of the options granted has been measured, the Company has recognised the expense as if the share based payments related to the Company's own shares.

Applying the transitional provisions of FRS 20, its requirements have been applied to all grants of equity instruments after 7 November 2002 that had not vested as at 1 January 2005.

The exercise prices of the sharesave scheme are set at a discount to market price at the date of the grant. The fair value of the sharesave scheme option granted is measured at the grant date by use of an option pricing model. The fair value of the options granted is recognised as an expense on a straight-line basis over the period that the scheme vests. Estimates are updated at each balance sheet date with any adjustment in respect of the current and prior years being recognised in the profit and loss accounts.

The costs associated with the other main employee schemes, the share incentive plan and the deferred bonus scheme, are recognised over the period to which they relate.

#### **2. Operating profit/(loss)**

The operating profit/(loss) is arrived at after charging

	<b>2008</b>	<b>2007</b>
	<b>£m</b>	<b>£m</b>
Depreciation of tangible fixed assets	<b>3.0</b>	<b>2.9</b>
Net management fee in respect of services provided by group companies	<b>0.8</b>	<b>0.2</b>

#### **3. Directors' remuneration**

The Directors received no remuneration in respect of their services to the Company (2007 - £nil)

#### **4. Staff costs and numbers**

	<b>2008</b>	<b>2007</b>
	<b>£m</b>	<b>£m</b>
Staff costs		
Wages and salaries	<b>0.8</b>	<b>0.6</b>
Social security costs	<b>0.1</b>	<b>0.1</b>
	<b>0.9</b>	<b>0.7</b>

Included within the above costs is a charge recognised under FRS 20 of £8,888 (2007 - £5,978)

## SSEPG (Operations) Limited

### Notes on the Accounts for the year ended 31 March 2008

#### 4. Staff costs and numbers (continued)

	2008 Number	2007 Number
The number of people employed at 31 March - Operational	27	21

	2008 Number	2007 Number
The monthly average number of people employed by the Company during the year	25	17

#### 5. Interest payable

	2008 £m	2007 £m
To group companies	(2.1)	(2.2)

#### 6. Taxation

	2008 £m	2007 £m
Current tax		
United Kingdom corporation tax	(0.1)	(0.9)
Deferred tax		
Origination and reversal of timing differences	(0.2)	(0.2)
Effect of change in UK corporation tax rate	(0.4)	-
Total Deferred Tax	(0.6)	(0.2)
Total tax credit on loss on ordinary activities	(0.7)	(1.1)

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows

	2008 £m	2007 £m
Loss on ordinary activities before taxation	(1.1)	(3.6)
Tax on loss on ordinary activities at standard UK corporation tax rate of 30% (2007 - 30%)	(0.3)	(1.1)
Effects of		
Capital allowances in excess of depreciation	0.2	0.2
Current tax credit for year	(0.1)	(0.9)

# SSEPG (Operations) Limited

## Notes on the Accounts for the year ended 31 March 2008

### 7. Tangible fixed assets

	Plant and Machinery £m
<b>Cost.</b>	
At 31 March 2007	47.0
Additions	2.2
<b>At 31 March 2008</b>	<b>49.2</b>
<b>Depreciation:</b>	
At 1 April 2007	18.5
Charge for the year	3.0
<b>At 31 March 2008</b>	<b>21.5</b>
<b>Net Book Value:</b>	
<b>At 31 March 2008</b>	<b>27.7</b>
At 31 March 2007	28.5

### 8. Stocks

	2008 £m	2007 £m
Raw materials	0.4	0.4

### 9. Debtors

	2008 £m	2007 £m
Amounts falling due within one year		
Amounts owed by group undertakings	1.6	1.6
Group relief receivable	6.3	6.2
Other debtors	0.1	-
	<b>8.0</b>	<b>7.8</b>
Amounts falling due after more than one year		
Amounts owed by group undertakings	5.2	5.2
	<b>13.2</b>	<b>13.0</b>

### 10. Creditors: amounts falling due within one year

	2008 £m	2007 £m
Amounts owed to group undertakings	41.6	40.7
Accruals and deferred income	0.8	1.2
Other creditors	-	0.1
	<b>42.4</b>	<b>42.0</b>

### 11. Creditors: amounts falling due after more than one year

	2008 £m	2007 £m
Amounts owed to group undertakings	6.4	6.4

## SSEPG (Operations) Limited

### Notes on the Accounts for the year ended 31 March 2008

#### 12. Deferred taxation

Deferred taxation is provided as follows

	2008 £m	2007 £m
Accelerated capital allowances	5.5	6.1

	31 March 2008 £m
Provision at 31 March 2007	6.1
Transferred to profit and loss account	(0.6)
<b>Provision at 31 March 2008</b>	<b>5.5</b>

#### 13. Share capital

	2008 £m	2007 £m
Authorised		
2,500,000 ordinary shares of £1 each	2.5	2.5
40,000,000 preference shares of £1 each	40.0	40.0
	<b>42.5</b>	<b>42.5</b>
Allotted, called up, and fully paid.		
1,200,002 ordinary shares of £1 each	1.2	1.2

#### 14. Reserves

	Profit and loss account £m
Balance at 31 March 2007	(13.8)
Retained loss for the financial year	(0.4)
<b>Balance at 31 March 2008</b>	<b>(14.2)</b>

#### 15. Pensions

The majority of the Company's employees are members of the Electricity Supply Pension Scheme or the Scottish Hydro-Electric Pension Scheme which provide defined benefits based on final pensionable pay. The Company's contributions to these schemes are set in relation to the current service period only (i.e. these are not affected by any surplus or deficit in the scheme relating to past service of its own employees and any other members of the scheme) and as such are treated as contributions to a defined contribution scheme. Employees can opt to join a personal pension scheme which is a money purchase scheme with the Company matching the members' contributions up to a maximum of 6% of salary. That scheme is managed by Friends Provident.

The Company's share of the total contribution payable to the pension schemes during the year was £36,000 (2007 - £32,000).

## SSEPG (Operations) Limited

### Notes on the Accounts for the year ended 31 March 2008

#### 16. Employee share-based payments

The majority of the Company's employees are participants in the following Group share schemes

##### (i) Savings-related share option schemes ("Sharesave")

This scheme gives employees the option to purchase shares in the parent Company at a discounted market price, subject to them remaining in employment with the Group for the term of the agreement. Employees may opt to save between £5 and £250 per month for a period of 3 or 5 years and at the end of this period, employees have six months to exercise their options by using the cash saved (including a bonus equivalent to interest). If the option is not exercised, the funds may be withdrawn by the employee and the option expires.

##### (ii) Share Incentive Plan (SIP)

This scheme allows employees the opportunity to purchase shares in the parent Company on a monthly basis. Employees may nominate an amount between £10 and £125 to be deducted from their gross salary, and this is then used to purchase shares ('partnership shares') in the market on the final business day of each month. These shares are then held in trust for a period of 5 years, at which point they are transferred at no further cost to the employee. These shares may be withdrawn at any point during the 5 years, but tax and national insurance would then be payable on any amounts withdrawn.

In addition to the shares purchased on behalf of the employee, the Group will match the purchase up to a maximum of 5 shares ('matching shares') per month. Again these shares are held in trust for the five years until they are transferred to the employee. If an employee leaves during the first three years, or removes his/her 'partnership' shares, these 'matching' shares are forfeited.

In addition to the above, at 31 March 2005 and 31 March 2007 the Company made a special award of 50 and 20 free shares respectively. These awards were made to all employees in employment at both 31 March and 20 August 2005 for the 2005 award, and 31 March and 30 May 2007 for the 2007 award, in recognition of their contribution to the success of the Company. Under the arrangements for the award, the shares will be held in trust for five years, at which point they will be transferred to the employees at no cost to the employee. These shares may be withdrawn at any point during years four and five, but tax and national insurance would then be payable on any amounts withdrawn.

As allowed by FRS 20, only options granted since 7 November 2002, which were unvested at 1 January 2005, have been included.

Details used in the calculation of these costs are as follows

##### (i) Savings-related share option scheme

Date of grant		25 July 2003		16 July 2004		14 July 2005		11 July 2006		10 July 2007	
		2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Outstanding at start of year	Shares	-	658	1,878	1,878	724	3,230	644	-	-	-
	Option price	-	562	622	622	886	886	999	-	-	-
Granted	Shares	-	-	-	-	-	-	-	644	438	-
	Option price	-	-	-	-	-	-	-	999	1,306	-
Forfeited	Shares	-	(658)	(372)	-	(105)	(2,506)	-	-	-	-
	Option price	-	562	622	-	886	886	-	-	-	-
Exercised	Shares	-	-	(456)	-	(23)	-	-	-	-	-
	Weighted average price at date of exercise	-	-	1,488	-	1,402	-	-	-	-	-
Outstanding at end of year	Shares	-	-	1,050	1,878	596	724	644	644	438	-
	Option price	-	-	622	622	886	886	999	999	1,306	-

Of the outstanding options at the end of the year, none were exercisable

## SSEPG (Operations) Limited

### Notes on the Accounts for the year ended 31 March 2008

#### 16. Employee share-based payments (continued)

##### (i) Savings-related share option scheme (continued)

The fair value of these shares at vesting, calculated using the Black-Scholes model, and the assumptions made in that model are as follows

	July 2003		July 2004		July 2005		July 2006		July 2007	
	3 Year	5 Year	3 Year	5 Year	3 Year	5 Year	3 Year	5 Year	3 Year	5 Year
Fair value	659p	667p	730p	739p	1,012p	1,023p	1,216p	1,226p	1,593p	1,619p
Expected volatility	17%	17%	17%	17%	15%	15%	19%	19%	25%	25%
Risk free rate	4.7%	4.8%	4.7%	4.8%	4.1%	4.2%	4.7%	4.7%	5.8%	5.7%
Expected dividends	4.6%	4.6%	4.6%	4.6%	4.2%	4.2%	4.8%	4.8%	5.3%	5.2%
Term of the option	3 yrs	5 yrs	3 yrs	5 yrs	3 yrs	5 yrs	3 yrs	5 yrs	3 yrs	5 yrs
Underlying price at grant date	630p	630p	699p	699p	967p	967p	1,180p	1,180p	1,460p	1,460p
Strike price	562p	562p	622p	622p	886p	886p	999p	999p	1,306p	1,306p

Expected price volatility was obtained by calculating the historical volatility of the Group's share price over the previous 12 months

##### (ii) Share Incentive Plan

	2008		2007	
	Shares	Weighted average price (pence)	Shares	Weighted average price (pence)
Outstanding at start of year	789	1,094	709	957
Granted	570	1,506	342	1,330
Forfeited	-	-	(137)	957
Exercised	-	-	(125)	1,110
Outstanding at end of year	1,359	1,267	789	1,094
Exercisable at end of year	60	869	-	-

The fair value of these shares is not subject to valuation using the Black-Scholes model. However, the fair value of shares granted in the year is equal to the weighted average price paid for the shares at the grant date as shares are acquired out of the market as at that date to satisfy awards made under the scheme.

Shares purchased under this scheme prior to 7 November 2002 have not been included as permitted by the transitional rules under FRS 20.

##### Free shares

	2008		2007	
	Shares	Weighted average price (pence)	Shares	Weighted average price (pence)
Outstanding at start of year	500	965	700	965
Granted	360	1,484	-	-
Forfeited	-	-	(150)	965
Exercised	-	-	(50)	1,112
Outstanding at end of year	860	1,182	500	965

Of the outstanding options at the end of the year, none were exercisable.

The fair value of these shares is not subject to valuation using the Black-Scholes model. However, the fair value of shares granted in the year is equal to the weighted average price paid for the shares at the grant date as shares are acquired out of the market as at that date to satisfy awards made under the scheme.

## **SSEPG (Operations) Limited**

### **Notes on the Accounts for the year ended 31 March 2008**

#### **17. Capital commitments**

##### **Capital expenditure**

	<b>2008 £m</b>	<b>2007 £m</b>
Contracted for but not provided	<b>0.5</b>	<b>0.1</b>

#### **18. Ultimate holding company**

The Company is a subsidiary of Scottish and Southern Energy plc, which is the ultimate parent company and is registered in Scotland. The largest and smallest group in which the results of the Company are consolidated is that headed by Scottish and Southern Energy plc. The consolidated accounts of the group (which include those of the Company) are available from Corporate Communications, Inveralmond House, 200 Dunkeld Road, Perth PH1 3AQ.

#### **19. Going concern**

The Company's balance sheet at 31 March 2008 shows a net liability position of £13.0m (2007 - £12.6m). Scottish and Southern Energy plc has confirmed that it will continue to provide financial support to the Company. On this basis, the directors believe that the Company will be in a position to meet its liabilities as they fall due and that the accounts are appropriately prepared on a going concern basis.