

Company Number: 2798178

**SCARCROFT INVESTMENTS LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED**  
**31 MARCH 2001**



A06 \*AISK44NZ\* 0410  
COMPANIES HOUSE 05/10/01

## **SCARCROFT INVESTMENTS LIMITED**

### **REPORT OF THE DIRECTORS**

The Directors submit their Report and Financial Statements for the three months ended 31 March 2001.

#### **PRINCIPAL ACTIVITY**

The principal activity of the Company is as a holding company.

On 29 May 2001 the Company changed its accounting reference date to 31 March with effect from the accounting period ending 31 March 2001.

#### **FUTURE PROSPECTS**

It is intended that the Company will continue as a holding company.

#### **RESULTS AND DIVIDENDS**

The results for the Company are set out in detail on page 4.

The Directors do not recommend the payment of a final dividend (2000 : Nil).

#### **DIRECTORS AND DIRECTORS' INTERESTS**

The directors who served during the period, at 31 March 2001 and since 31 March 2001 were as follows:-

<u>Name</u>	<u>Appointed</u>	<u>Resigned</u>
Mr R Dickinson	10 March 1993	4 June 2001
Mr A G Donnelly	15 December 1997	29 June 2001
Dr B M Count	3 April 2001	Still in office
Mr S P Fletcher	3 April 2001	Still in office

The Directors hold no beneficial interest in the ordinary share capital of the Company at 31 March 2001. As at 31 December 2000 and 31 March 2001 Mr Dickinson held a non-beneficial interest in one 68 2/11p ordinary share in Yorkshire Electricity Group plc, a company in the same group.

#### **AUDITORS**

A resolution to re-appoint KPMG Audit plc as the Company's auditors will be proposed at the next Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board.

B. Count  
Director

Wetherby Road  
Scarcroft  
LEEDS  
LS14 3HS

## **SCARCROFT INVESTMENTS LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The following statement, which should be read in conjunction with the auditors' statement of respective responsibilities of Directors and auditors, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the auditors in relation to the financial statements.

The Directors are required by the Companies Act 1985 to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss of the Company for the financial period.

The Directors consider that in preparing the financial statements on pages 4 to 10 on a going concern basis, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The Directors 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.

## **SCARCROFT INVESTMENTS LIMITED**

### **AUDITORS' REPORT TO THE MEMBERS**

We have audited the financial statements on pages 4 to 10, which have been prepared under the accounting policies, set out in page 6.

#### **Respective responsibilities of Directors and auditors**

As described on page 2 the Company's Directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report to our opinion to you.

#### **Basis of opinion**

We conducted our audit in accordance with United Kingdom 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 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 financial statements are free from material misstatement, whether caused by fraud or any 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 the Company's affairs as at 31 March 2001 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

KPMG Audit plc  
Chartered Accountants and Registered Auditor  
Leeds  
LS1 4DW  
19 September 2001

## **SCARCROFT INVESTMENTS LIMITED**

### **Profit and Loss Account for the three months ended 31 March 2001**

	Note	Three months ended 31 March 2001 £000	Year ended 31 December 2000 £000
Interest receivable and similar income	2	149	2,152
Interest payable and similar charges	3	(2,062)	(9,115)
<b>Loss on ordinary activities before tax</b>		<b>(1,913)</b>	<b>(6,963)</b>
Taxation		-	-
<b>Loss for the period</b>	10	<b>(1,913)</b>	<b>(6,693)</b>
<b>Reserves brought forward</b>		<b>(20,028)</b>	<b>(13,065)</b>
<b>Reserves carried forward</b>		<b>(21,941)</b>	<b>(20,028)</b>

The results for both periods are in respect of continuing operations.

There are no recognised gains and losses other than the loss for the periods as disclosed above.

There is no difference between the results presented above and the results on an unmodified historical cost basis; therefore, a note of historical profits is not required.

# SCARCROFT INVESTMENTS LIMITED

## Balance Sheet as at 31 March 2001

	Note	31 March 2001 £000	31 December 2000 £000
<b>Fixed assets</b>			
Investments	5	-	-
<b>Current assets</b>			
Debtors (due within one year)	6	67,010	79,753
Debtors (due after more than one year)	6	<u>4,167</u>	<u>4,167</u>
		71,177	83,920
<b>Creditors (amounts falling due within one year)</b>	7	(88,951)	(99,781)
<b>Net current liabilities</b>		<u>(17,774)</u>	<u>(15,861)</u>
<b>Total assets less current liabilities</b>		<u>(17,774)</u>	<u>(15,861)</u>
<b>Creditors (amounts falling due after more than one year)</b>	7	(4,167)	(4,167)
<b>Net liabilities</b>		<u>(21,941)</u>	<u>(20,028)</u>
<b>Capital and reserves</b>			
Share capital	9	-	-
Profit and loss account		(21,941)	(20,028)
<b>Total equity shareholders' funds</b>	10	<u>(21,941)</u>	<u>(20,028)</u>

These financial statements were approved by the Board of Directors on 19 September 2001.

Signed on behalf of the Board of Directors.



The notes on pages 6 to 10 form an integral part of these accounts.

## **SCARCROFT INVESTMENTS LIMITED**

### **Notes to the accounts for the three months ended 31 March 2001**

#### **1. Accounting policies**

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

The accounts have been prepared in accordance with applicable United Kingdom accounting standards, under the historical cost convention.

The financial statements have been prepared on a going concern basis, notwithstanding the company's net liability position, on the basis that its ultimate parent company, (see note 13), has agreed to provide financial support for the foreseeable future.

##### **Investments**

Fixed asset investments are stated at cost or valuation less provision for impairment in value.

#### **2. Interest receivable and similar income**

	<b>Three months ended 31 March 2001 £000</b>	<b>Year ended 31 December 2000 £000</b>
Interest received from parent undertaking	149	1,142
Interest received from subsidiary undertakings	-	1,010
	<u>149</u>	<u>2,152</u>

#### **3. Interest payable and similar charges**

	<b>Three months ended 31 March 2001 £000</b>	<b>Year ended 31 December 2000 £000</b>
Interest payable to parent undertaking	1,913	7,973
On other loans	149	1,142
	<u>2,062</u>	<u>9,115</u>

## **SCARCROFT INVESTMENTS LIMITED**

### **Notes to the accounts for the three months ended 31 March 2001 (continued)**

#### **4. Directors and employees**

The Directors received no emoluments (2000 : Nil). There are no employees other than Directors (2000 : Nil).

#### **5. Fixed asset investments**

##### **Principal subsidiary**

	<b>Class of capital</b>	<b>% Equity held</b>	<b>Principal activities</b>
Yorkshire Energy Ltd	Ordinary	100	Gas investment and supply

The Company holds 102 (2000: 102) ordinary shares of £1 in Yorkshire Energy Ltd. The Company also holds 117,857 "A" ordinary shares of £1.20 in, and a loan of £858,000 to Royal Armouries (International) plc, both of which have been fully provided for.

#### **6. Debtors**

	<b>31 March 2001 £000</b>	<b>31 December 2000 £000</b>
Amounts owed by parent undertaking:		
Due within one year	3,876	3,876
Due after more than one year	4,167	4,167
Amounts owed by subsidiary undertakings	63,134	75,877
	<hr/> <b>71,177</b> <hr/>	<hr/> <b>83,920</b> <hr/>



## **SCARCROFT INVESTMENTS LIMITED**

### **Notes to the accounts for the three months ended 31 March 2001 (continued)**

#### **7. Creditors**

	<b>31 March 2001 £000</b>	<b>31 December 2000 £000</b>
Creditors (amounts falling due within one year):		
Bank Loan	3,876	3,876
Amounts owed to parent undertaking	84,847	95,828
Accruals	228	77
	<u>88,951</u>	<u>99,781</u>
Creditors (amounts falling after more than one year):		
Bank Loan	4,167	4,167
	<u>4,167</u>	<u>4,167</u>

Yorkshire Electricity Group plc unconditionally guarantees the due performance of the bank loan under the contract.

#### **8. Borrowings**

Outstanding borrowings are repayable as follows:

	<b>31 March 2001 £000</b>	<b>31 December 2000 £000</b>
Within one year, or on demand	3,876	3,876
Between one and two years	4,167	4,167
	<u>8,043</u>	<u>8,043</u>

This is repayable at a fixed rate of interest of 7.52%.

## **SCARCROFT INVESTMENTS LIMITED**

Notes to the accounts for the three months ended 31 March 2001 (continued)

### **9. Called up share capital**

	<b>31 March 2001 £</b>	<b>31 December 2000 £</b>
Authorised: 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted and fully paid: 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

### **10. Reconciliation of movement in equity shareholders' funds - deficit**

	<b>Three months ended 31 March 2001 £000</b>	<b>Year ended 31 December 2000 £000</b>
Opening equity shareholders' deficit	(20,028)	(13,065)
Loss for the period/year	(1,913)	(6,963)
Closing equity shareholders' deficit	<u>(21,941)</u>	<u>(20,028)</u>

### **11. Related party transactions**

The Company has taken advantage of the exemptions included in Financial Reporting Standard No. 8 "Related Party Disclosures" for wholly owned subsidiaries not to disclose transactions which are with entities that are part of the Yorkshire Power Group Limited.

### **12. Group accounts**

The Company has taken advantage of the exemption from the requirement to present group accounts contained in section 228 of the Companies Act 1985 on the grounds that it is a wholly owned subsidiary of Yorkshire Electricity Group plc, a company registered in England and Wales. Accordingly the financial statements present information about the company as an individual undertaking and not as a group.

## **SCARCROFT INVESTMENTS LIMITED**

### **Notes to the accounts for the three months ended 31 March 2001 (continued)**

#### **13. Ultimate parent company**

On 31 March 2001, the ultimate parent company, for which group accounts are prepared, is Yorkshire Power Group Limited, a company registered in England and Wales. From 3 April 2001, the ultimate parent company for which group accounts are prepared became Innogy Holdings plc (note 14). Copies of the group accounts for both companies are available from Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.

#### **14. Post balance sheet events**

On 3 April 2001, Innogy Finance Ltd acquired 94.75% of the issued share capital of Yorkshire Power Group Limited. Innogy Finance Ltd is a wholly-owned subsidiary of Innogy Holdings plc.

On 31 July 2001, Yorkshire Electricity Group plc (Yorkshire), an indirect wholly-owned subsidiary of Yorkshire Power Group Limited, entered into a Business and Share Sale Agreement with npower Yorkshire Limited and Innogy Holdings plc in respect of the sale and purchase of the supply business of Yorkshire and the whole of the issued share capital of certain companies of Yorkshire, including Scarcroft Investments Limited. Npower Yorkshire Limited, previously named Innogy Finance Limited, is the direct holding company of Yorkshire Power Group Limited. Npower Yorkshire Limited is an indirect wholly owned subsidiary of Innogy Holdings plc.