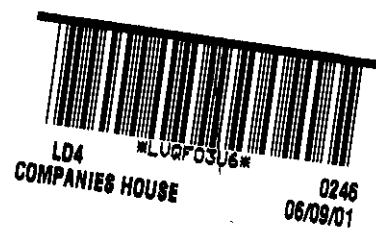


ECS DATA SERVICES LIMITED
(Formerly Energy Communication Services Limited)

Registered Number 3158935

ANNUAL REPORT AND ACCOUNTS

YEAR ENDED 31 DECEMBER 2000



ECS DATA SERVICES LIMITED
(Formerly Energy Communication Services Limited)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2000

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Directors

Mr S J Bott
Mr J Morris
Mr B Cottrant (appointed 1 Jan 2001)

Secretary

Mr R Higson

Registered Number

3158935

Auditors

Ernst & Young LLP, Becket House, 1 Lambeth Palace Road, London SE1 7EU.

Registered Office

Templar House
81-87 High Holborn
LONDON
WC1V 6NU

ECS DATA SERVICES LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2000

The Directors present their report and the audited accounts for the year ended 31 December 2000.

PRINCIPAL ACTIVITY AND FUTURE DEVELOPMENTS

The Company's principal activity is the provision of meter reading and related services. It will continue in this activity for the foreseeable future.

On 1 January 2001, the company changed its name to ECS Data Services Limited.

RESULTS AND DIVIDEND

The profit for the financial year of £2,347,628 (1999: loss £1,599,506) will be accumulated against reserves. Further information is contained in the accounts appended to this report.

The Directors do not recommend payment of a dividend.

FIXED ASSETS

Details of the movements in fixed assets during the year are shown in note 8 to the financial statements.

DIRECTORS

Directors who held office during the year, up to date of this report were as follows:

Mr S J Bott
Mr J Morris
Mr B Cottrant (appointed 1 January 2001)

The Articles do not provide for the rotational retirement of Directors.

DIRECTORS' INTERESTS

None of the Directors has a contract of service with the Company. They are all employed by the parent company, London Electricity plc, and have service contracts with that company.

There were no contracts of significance during or at the end of the financial year in which a Director of the Company was materially interested.

There are no particulars or arrangements requiring disclosure pursuant to section 232 of the Companies Act 1985.

DIRECTORS' SHAREHOLDINGS

No Director or any connected person has an interest in the shares of the Company.

CREDIT PAYMENT POLICY

The Company's current policy concerning the payment of the majority of its trade creditors and other suppliers is to:

- (a) settle the terms of payment with those creditors/suppliers when agreeing the terms of each transaction;
- (b) ensure that those Creditors/suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- (c) pay in accordance with its contractual and other legal obligations.

The payment policy applies to all payments to creditors/suppliers for revenue and capital supplies of goods and services without exception.

The average number of creditors days is 30 days.

AUDITORS

On 28 June 2001, Ernst & Young, the company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001. A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

By Order of the Board



R I Higson
Secretary

date 3rd July 2001

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the Directors to prepare accounts for each financial year which 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 those accounts, the Directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; 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 which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts 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.

**REPORT OF THE AUDITORS
TO THE MEMBERS OF ENERGY COMMUNICATION SERVICES LIMITED**

We have audited the accounts on pages 7 to 12, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

As described on page 5 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guidance.

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 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 as at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP

Registered Auditor

London

4 September, 2001.

ECS DATA SERVICES LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2000**

	Notes	2000 £	1999 £
Turnover	2	15,915,199	9,667,862
Cost of sales		(4,930,700)	(5,718,184)
Gross profit		<u>10,984,499</u>	<u>3,949,678</u>
Administration expenses		(7,136,417)	(5,288,161)
Operating profit / (loss)	3	<u>3,848,082</u>	<u>(1,338,483)</u>
Interest payable	6	(355,979)	(261,023)
Profit / (loss) on ordinary activities before taxation		<u>3,492,103</u>	<u>(1,599,506)</u>
Taxation on profit on ordinary activities	7	(1,144,475)	-
Retained profit / (loss) for the year	12	<u><u>2,347,628</u></u>	<u><u>(1,599,506)</u></u>

The results of the Company relate entirely to continuing operations.

There are no recognised gains or losses other than the profit for the financial year and therefore no separate statement of total recognised gains and losses has been presented.

ECS DATA SERVICES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2000

	Notes	2000 £	1999 £
Fixed Assets			
Tangible assets	8	<u>721,582</u>	<u>327,281</u>
Current Assets			
Debtors : Amounts falling due within one year	9	1,689,028	3,314,578
Current Liabilities			
Creditors : Amounts falling due within one year	10	(3,165,889)	(6,744,766)
Net Current Liabilities		<u>(1,476,861)</u>	<u>(3,430,188)</u>
Net Liabilities		<u>(755,279)</u>	<u>(3,102,907)</u>
Capital and Reserves			
Share capital	11	300,000	300,000
Reserves			
Profit and loss account	12	(1,055,279)	(3,402,907)
Equity shareholders' funds	13	<u>(755,279)</u>	<u>(3,102,907)</u>

The accounts on pages 7 to 12 were approved by the Board of Directors on 3rd July 2001
and signed on its behalf by:



Mr J Morris
Director

ECS DATA SERVICES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2000

1. ACCOUNTING POLICIES

Accounting conventions

The accounts have been prepared under the historical cost convention and comply with applicable United Kingdom accounting standards.

The directors of ECS Data Services Limited have received an undertaking from London Electricity plc that it will provide or procure adequate finance to enable the company to meet its normal liabilities as they fall due. Accordingly the directors believe that it is appropriate to prepare these accounts on the going concern basis.

The Company is exempt from preparing a cash flow statement under the terms of Financial Reporting Standard 1 as it is a member of a group which produces publicly available accounts.

Turnover

Turnover arises entirely in the United Kingdom from the supply of meter reading services and is stated exclusive of value added tax.

Pensions

Pension costs are charged to the profit and loss account so that they are spread over employees' working lives. Pension costs are assessed in accordance with the advice of qualified actuaries.

Tangible fixed assets

The cost of individual tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets over their expected useful economic life. The straight line method is used.

Life of depreciable assets is as follows:

IT and other office equipment	5 years
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Deferred tax

Deferred taxation arises in respect of items where there is a timing difference between their treatment for accounting purposes and their treatment for taxation purposes. Provision is made for deferred taxation using the liability method only where it is anticipated to crystallise within the foreseeable future.

Leases

Rental costs under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

2. TURNOVER

Turnover arises entirely in the United Kingdom.

3. OPERATING PROFIT / (LOSS)

	Note	2000 £	1999 £
Operating profit / (loss) is stated after charging the following:			
Auditors' remuneration		6,500	6,650
Depreciation		207,962	207,269
Lease payments for vehicles		179,874	427,261

4. DIRECTORS' EMOLUMENTS

All the Directors are employees of London Electricity plc and did not receive any remuneration from the Company during the year.

5. EMPLOYEE INFORMATION

The average number of persons (including executive directors) employed by the Company during the year was:

	2000 Number	1999 Number
Direct staff	156	236
Indirect staff	57	67
Total	<u>213</u>	<u>303</u>

Staff costs (for the above persons)

	2000 £	1999 £
Wages and salaries	4,181,384	6,371,598
Social Security costs	342,513	407,922
Other pension costs	82,382	68,228
	<u>4,606,279</u>	<u>6,847,748</u>

6. INTEREST PAYABLE

	2000 £	1999 £
Other interest payable to London Electricity plc	<u>(355,979)</u>	<u>(261,023)</u>

7. TAXATION ON PROFITS ON ORDINARY ACTIVITIES

	2000 £	1999 £
Taxation on profit on ordinary activities at 30%	<u>(1,144,475)</u>	<u>-</u>

8. FIXED ASSETS

	IT & Office Equipment £
Cost	
As at 1 January 2000	1,082,775
Additions	<u>602,263</u>
At 31 December 2000	<u>1,685,038</u>
Depreciation	
As at 1 January 2000	755,494
Charge for the period	<u>207,962</u>
At 31 December 2000	<u>963,456</u>
Net book value	
At 31 December 2000	<u>721,582</u>
At 31 December 1999	<u>327,281</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000	1999
	£	£
Trade Debtors	718,185	580,776
Other Debtors	37,442	72,932
Prepayments and accrued income	933,401	2,660,870
	<u>1,689,028</u>	<u>3,314,578</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000	1999
	£	£
Bank Overdraft	174,190	91,266
Trade creditors	73,891	202,077
Corporation tax	1,144,475	-
Other taxation and social security	59,654	30,290
Amount due to London Electricity plc	857,566	4,494,872
Amounts due to other group companies	9,029	88,570
Other creditors	27,115	8,632
Accruals and deferred income	819,969	1,829,059
	<u>3,165,889</u>	<u>6,744,766</u>

11. SHARE CAPITAL

	2000	1999
	£	£
Authorised		
500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
Allotted, called up and fully paid		
300,000 Ordinary shares of £1 each	<u>300,000</u>	<u>300,000</u>

12. PROFIT AND LOSS ACCOUNT

	2000	1999
	£	£
Balance at 1 January	(3,402,907)	(1,803,401)
Retained profit/(loss) for the year	<u>2,347,628</u>	<u>(1,599,506)</u>
Balance at 31 December	<u>(1,055,279)</u>	<u>(3,402,907)</u>

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000	1999
	£	£
Opening shareholders' funds	(3,102,907)	(1,503,401)
Profit / (loss) for the year	<u>2,347,628</u>	<u>(1,599,506)</u>
Closing shareholders' funds	<u>(755,279)</u>	<u>(3,102,907)</u>

14. PENSIONS

Some employees are members of the London Electricity Group segment of the Electricity Supply Pension Scheme (ESPS). The ESPS provides pensions and related benefits based on the final pensionable pay of employees. The assets of the scheme are held in a separate trustee administered fund.

The most recent formal actuarial valuation of the scheme was carried out at 31 March 1998 by Bacon and Woodrow, consulting actuaries. Details of the principal assumptions and results of the valuation are included in the accounts of London Electricity plc.

The pension charge for the year was as follows:

	£
Normal charge for the year	217,531
Less pension surplus credit	<u>(217,531)</u>
	<u>-</u>

In April 1994 the London Electricity Group set up a defined contribution pension scheme for new employees.

The pension charge for the period relating to that scheme was £82,382 (1999: £68,288).

15. FINANCIAL COMMITMENTS

At 31 December 2000 the Company had annual commitments under non-cancellable operating leases as follows:

	2000	1999
	Vehicles	Vehicles
	£	£
Expiring within one year	67,224	99,708
Expiring between two and five years inclusive	<u>22,776</u>	<u>305,958</u>
	<u>90,000</u>	<u>405,666</u>

16. RELATED PARTY TRANSACTIONS

In accordance with Financial Reporting Standard number 8 "Related Party Disclosure", the company is exempt from disclosing transactions with entities that are part of London Electricity Plc group or investees of the group qualifying as related parties, as it is a wholly owned subsidiary of a parent publishing consolidated financial statements.

17. PARENT UNDERTAKING

At 31 December 2000 'Electricite de France' (EdF), a state owned company of France was regarded by the directors as the company's ultimate parent undertaking. Copies of that company's consolidated accounts may be obtained from Electricite de France, 2 Rue Louis Murat, 75384, Paris Cedex, France.

London Electricity plc holds a 100% interest in ECS Data Services Limited and is considered to be the immediate parent undertaking.