

**SLOUGH DOMESTIC ELECTRICITY LIMITED**

**Directors**

D.R. Wilson  
P.N. Jackson  
D.E.F. Simons  
J. Pebworth  
C. Benstead (Resigned 9.11.2001)  
A.R. Ellis (Appointed 22.11.2001)

**Secretary**

J.R. Probert

**Registered Office and Head Office**

234 Bath Road, Slough, SL1 4EE

**Registered Number**

3486588

**REPORT OF THE DIRECTORS**

The directors submit their annual report and financial statements for the year ended 31st December 2001 which were approved by the board on 15<sup>th</sup> March 2002.

**Business of the Company**

The principal activities of the company are the supply and distribution of electricity. The level of activity is expected to remain unchanged during the forthcoming year.

**Results and Dividends**

The results for the year ended 31st December 2001 are set out in the attached financial statements. The loss for the year on ordinary activities is £120,000 (2000:loss £20,000). The directors do not recommend payment to shareholders of a dividend (2000:£NIL).

**Taxation**

Slough Estates plc has assumed the responsibility for discharging any liability for United Kingdom corporation tax, current or deferred, so long as the company remains a member of the Group.

**Directors**

The present directors of the company, all of whom served throughout the period unless otherwise stated, are as shown above.

**Directors' Interests**

None of the directors who were in office at 31st December 2001 had an interest in the shares of the company during the year.

The interests of D.R. Wilson and D.E.F. Simons in the shares of the ultimate holding company, Slough Estates plc, are disclosed in the financial statements of that company. The interests of P.N. Jackson, J. Pebworth and A. Ellis in the shares of Slough Estates plc are disclosed in the financial statements of Slough Heat & Power Ltd.

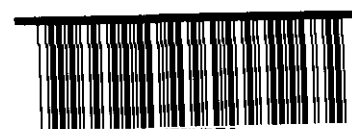
**Auditors**

A resolution concerning the reappointment of Pricewaterhousecoopers will be placed before the annual general meeting.

By Order of the Board

*J.R. Probert*

J.R. PROBERT  
**Secretary**



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**SLOUGH DOMESTIC ELECTRICITY LIMITED****STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year that 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 year. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2001 and that applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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 the financial statements 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF****SLOUGH DOMESTIC ELECTRICITY LIMITED**

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards issued by the Auditing Practices Board.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, 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 annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

**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 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 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 at 31 December 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
Reading  
15 March 2002

**SLOUGH DOMESTIC ELECTRICITY LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2001**

	<u>Notes</u>	<u>2001</u> <u>£000's</u>	<u>2000</u> <u>£000's</u>
Turnover	2	722	723
Cost of sales		(560)	(558)
		<hr/>	<hr/>
GROSS PROFIT		162	165
Administrative expenses		(300)	(198)
		<hr/>	<hr/>
OPERATING LOSS		(138)	(33)
Interest receivable from a group undertaking	3	18	13
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	6	(120)	(20)
Taxation	8	--	--
		<hr/>	<hr/>
LOSS FOR THE FINANCIAL YEAR	12	<u>(120)</u>	<u>(20)</u>

All company operations for the year are continuing.

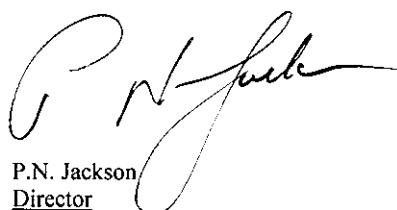
The turnover and loss on ordinary activities all arise in the United Kingdom.

There are no recognised gains or losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been prepared.

**SLOUGH DOMESTIC ELECTRICITY LIMITED****BALANCE SHEET AS AT 31ST DECEMBER 2001**

	<u>Notes</u>	<u>2001</u> <u>£000's</u>	<u>2000</u> <u>£000's</u>
FIXED ASSETS			
Tangible assets	9	--	16
CURRENT ASSETS			
Debtors – Amounts falling due within one year	10	106	206
TOTAL ASSETS		<u>106</u>	<u>222</u>
CAPITAL AND RESERVES			
Called up share capital	11	--	--
Profit and loss account	12	<u>77</u>	<u>197</u>
Equity shareholders' funds	14	77	197
CREDITORS			
- Amounts falling due within one year	13	<u>29</u>	<u>25</u>
		<u>106</u>	<u>222</u>

The financial statements were approved by the Board of Directors on 15<sup>th</sup> March 2002 and were signed on its behalf by:-



P.N. Jackson  
Director

The notes on pages 5 to 7 form part of these financial statements.

**SLOUGH DOMESTIC ELECTRICITY LIMITED****NOTES TO THE FINANCIAL STATEMENTS****1. Principal Accounting Policies****a) Basis of Preparation of Financial Statements**

These financial statements have been prepared on the basis of historical costs.

**b) Deferred Taxation**

No provision for deferred United Kingdom taxation has been made, nor is any contingent liability disclosed, as any such liability will be discharged by Slough Estates plc.

**c) Cash Flow Statement**

The company is a wholly owned subsidiary of Slough Estates plc and the cash flows of the company are included in the consolidated group cash flow statement of Slough Estates plc. Consequently the company is exempt under the terms of Financial Reporting Standard No. 1 from publishing a cash flow statement.

**d) Tangible Fixed Assets**

After an initial commissioning period, where depreciation is related to utilisation of plant, depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

	%
Plant and Equipment	3 - 10

**e) Transaction with Group Companies**

The company has taken advantage of the exemption allowed by FRS8 from disclosing transactions with other group companies.

**2. Turnover**

Turnover comprises gross amounts charged to consumers in accordance with published utility tariffs, excluding VAT and sales of utilities to other group companies.

**3. Interest**

	<u>2001</u> <u>£000's</u>	<u>2000</u> <u>£000's</u>
Interest receivable from parent undertaking	<u>18</u>	<u>13</u>

**4. Employees**

There are no employees directly employed by the company.

**5. Audit Fees**

Audit fees are borne by Slough Heat & Power Limited.

**SLOUGH DOMESTIC ELECTRICITY LIMITED**

**6. Loss on Ordinary Activities before Taxation**

The loss on ordinary activities before taxation is stated after charging:

	<b><u>2001</u></b> <b><u>£000's</u></b>	<b><u>2000</u></b> <b><u>£000's</u></b>
Depreciation charge for the year	16	4
	=====	=====

**7. Directors' Remuneration**

The remuneration of D R Wilson and D E F Simons are disclosed in the financial statements of Slough Estates plc, the ultimate holding company. The remuneration of P N Jackson, J Pebworth, C Benstead and A Ellis are disclosed in the financial statements of Slough Heat & Power Limited, the immediate parent company. It is not practicable to allocate the remuneration of directors to subsidiary undertakings.

**8. Taxation**

Any United Kingdom corporation tax liability which may arise and is not eliminated by the offset of group relief and/or advance corporation tax, for neither of which payment will be made, will be discharged by the ultimate holding company, Slough Estates plc. No payment is made to the company in the event of losses being surrendered for group relief.

**9. Tangible Fixed Assets**

	<b><u>Plant and</u></b> <b><u>Equipment</u></b>  <b><u>£000's</u></b>
<u>Cost</u>	
Balance at 1 <sup>st</sup> January 2001 and 31 <sup>st</sup> December 2001	84
	=====
<u>Depreciation</u>	
Balance at 1 <sup>st</sup> January 2001	68
Charge for the period	16
	-----
Balance at 31 <sup>st</sup> December 2001	84
	=====
Net book value at 31 <sup>st</sup> December 2001	--
	=====
Net book value at 31 <sup>st</sup> December 2000	16
	=====

The charge for depreciation for 2001 includes £13,000 for the impairment of the plant and equipment associated with the electricity and steam production business.

**10. Debtors – Amounts Due Within One Year**

	<b><u>2001</u></b> <b><u>£000's</u></b>	<b><u>2000</u></b> <b><u>£000's</u></b>
Trade debtors	14	16
Amounts owed by group undertakings	90	179
Prepayments and accrued income	2	11
	-----	-----
	106	206
	=====	=====

**SLOUGH DOMESTIC ELECTRICITY LIMITED**

11. <b><u>Called up Share Capital</u></b>	<b><u>Authorised</u></b> <b><u>Number</u></b> <b><u>£000's</u></b>	<b><u>Issued &amp; Fully Paid</u></b> <b><u>Number</u></b> <b><u>£</u></b>
Ordinary shares of £1 each at 31 <sup>st</sup> December 2000 and at 31 <sup>st</sup> December 2001	100,000      100	2      2
12. <b><u>Reserves</u></b>	<b><u>Profit and</u></b> <b><u>Loss Account</u></b> <b><u>£000's</u></b>	
Balance at 1 <sup>st</sup> January 2001	197	
Loss for the year	(120)	
Balance at 31 <sup>st</sup> December 2001	77	
13. <b><u>Creditors</u></b>	<b><u>2001</u></b> <b><u>£000's</u></b>	
<u>Amounts falling due within one year</u>	<b><u>2000</u></b> <b><u>£000's</u></b>	
Other creditors	29	25
14. <b><u>Reconciliation of Movement in Shareholders' Funds</u></b>	<b><u>2001</u></b> <b><u>£000's</u></b>	
Loss attributable to ordinary shareholders	(120)	(20)
Shareholders' funds at 1 <sup>st</sup> January 2001	197	217
Shareholders' funds at 31 <sup>st</sup> December 2001	77	197
15. <b><u>Ultimate Holding Company and Controlling Party</u></b>		

The company's ultimate holding company and controlling party is Slough Estates plc and its immediate parent company is Slough Heat & Power Limited. Copies of the consolidated accounts of Slough Estates plc can be obtained from 234 Bath Road, Slough, SL1 4EE.