

REGISTERED NO.
3487059

Southern Electric Quest Trustee Limited

Accounts for the year ended 31 March 2006

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Southern Electric Quest Trustee Limited

Report of the Directors

The Directors present their report together with the audited Accounts for the year ended 31 March 2006.

1. Principal Activities

The Company's ordinary activity is to act as trustee in respect of any employee share scheme established by Southern Electric plc (subsequently renamed SSE Services plc).

2. Business Review

The Company is a Trustee under the Southern Electric plc Qualifying Employee Share Ownership Trust established for the purposes of the Southern Electric plc Sharesave Scheme. Previously, the Company therefore acquired and held shares in Scottish and Southern Energy plc for the benefit of employees and former employees of the Scottish and Southern Energy Group using exercise monies received from participants and contributions paid by companies within the Group. However, the Company no longer carries out this function.

The Directors do not anticipate any changes in activities in the forthcoming period.

3. Results and Dividends

The Company made neither a profit nor a loss in the year to 31 March 2006 (2005 - nil). The Directors do not recommend the payment of a dividend (2005 - nil).

4. Directors

The Directors who served during the year were as follows:

Alistair Phillips-Davies
Peter Viles
David Way

5. Directors' Interests in Ultimate Holding Company

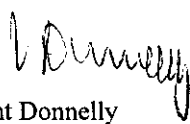
The interests of Alistair Phillips-Davies in the shares of the Company's ultimate holding company, Scottish and Southern Energy plc, are noted in the Accounts of Scottish and Southern Energy plc. The interests of Peter Viles and David Way in the shares of Scottish and Southern Energy plc are as follows:

	31 March 2006		1 April 2005	
	No. of shares beneficially held	No. of shares under option	No. of shares beneficially held	No. of shares under option
Peter Viles	2,750	1,460	2,080	1,274
David Way	-	-	-	-

6. Auditors

The directors who held office at the date of approval of this directors' report confirms 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.

ON BEHALF OF THE BOARD


Vincent Donnelly
Company Secretary
1 September 2006

Southern Electric Quest Trustee 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.

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.

Southern Electric Quest Trustee Limited

Independent Auditors' Report to the Members of Southern Electric Quest Trustee Limited

We have audited the Accounts of Southern Electric Quest Trustee Limited for the year ended 31 March 2006 which comprise the Balance Sheet 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

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the Accounts in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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. We also 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 2006 and of its result 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

KPMG Audit Plc
Chartered Accountants
Registered Auditor
Edinburgh
1 September 2006

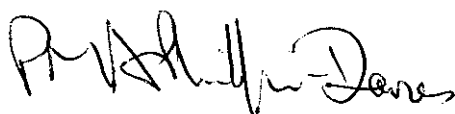
Southern Electric Quest Trustee Limited

Balance Sheet as at 31 March 2006

	Note	2006 £	2005 £
Current assets			
Debtors: amounts due from SSE Services plc		1	1
Cash at bank and in hand		107,719	107,719
		<u>107,720</u>	<u>107,720</u>
Creditors: amounts falling due within one year			
Amounts due to Southern Electric Quest Trust		(107,719)	(107,719)
Net assets		<u>1</u>	<u>1</u>
Capital and reserves			
Called up share capital	4	1	1
Total shareholders' funds		<u>1</u>	<u>1</u>

During the financial year and the preceding financial year the Company did not trade and received no income and incurred no expenditure. Consequently, during these years the Company made neither a profit nor a loss.

These Accounts were approved by the Directors on 1 September 2006 and signed on their behalf by



Alistair Phillips-Davies, Director

Southern Electric Quest Trustee Limited

Notes on the Accounts for the year ended 31 March 2006

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).

2. Shares held in trust

The Company holds no ordinary shares of Scottish and Southern Energy plc in trust (2005 - nil) on behalf of employees of that Company and its subsidiaries.

3. Directors', staff and auditors' remuneration

The Directors received no remuneration in respect of their service to the Company (2005 - nil). There were no staff employed during the year (2005 - none). During the year the Company did not incur an audit fee (2005 - nil).

4. Share capital

	2006 £	2005 £
Authorised:		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted and called up:		
1 ordinary shares of £1 each	<u>1</u>	<u>1</u>

5. Ultimate holding company

The Company is a subsidiary of Scottish and Southern Energy plc, a company registered in Scotland, whose consolidated accounts (which include those of the Company) are available from Corporate Communications, Inveralmond House, 200 Dunkeld Road, Perth PH1 3AQ.