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NEOS TRUSTEE COMPANY LIMITED

DIRECTORS' REPORT AND ACCOUNTS

FOR THE PERIOD ENDING 31 MARCH 2006



NEOS TRUSTEE COMPANY LIMITED

REPORT OF THE DIRECTORS FOR THE PERIOD TO 31 MARCH 2006

The Directors present their report for the period to 31 March 2006.

The Company did not trade during the period and incurred no income or expenditure.

The state of the Company's affairs at 31 March 2006 is set out on page 2. The Directors of the Company who served during the period were:-

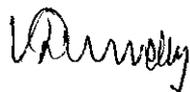
C Hood - appointed 01/04/2003
A Pike - appointed 18/11/2003
D Chaloner - appointed 27/01/2004
C Hillman - appointed 27/01/2004
D Penny - appointed 27/01/2004 - Resigned 10/02/2006
E Tanner - appointed 01/02/2005

No Director held an interest in the shares of the Company during the year.

The interests of Colin Hood 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 the other directors in Scottish and Southern Energy plc are as follows:

	31 March 2006	
	No of shares Beneficially held	No of shares under option
Adrian Pike	1,009	10,330
Dennis Chaloner	-	803
Christopher Hillman	941	2,736
Elizabeth Tanner	488	1,133

By Order of the Board.



L J V Donnelly
Company Secretary

15 September 2006

NEOS TRUSTEE COMPANY LIMITED

BALANCE SHEET

AT 31 MARCH 2006

	Notes	2006 £	2005 £
Current Assets			
Debtors	1	1	1
Capital and Reserves			
Called up Share Capital	2	<u>1</u>	<u>1</u>

The Company did not trade during the current or preceding period and has made neither profit nor loss, nor any other recognised gain or loss.

For the current period the Company was entitled to exemption under Section 249AA(1) of the Companies Act 1985.

No members have required the Company to obtain an audit of its accounts for the current period in accordance with Section 249B(2) of the Companies Act 1985.

The Directors acknowledge their responsibility for:

- (i) Ensuring the Company keeps accounting records which comply with Section 221; and
- (ii) Preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of its financial year, and of its profit or loss for the financial year in accordance with Section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company.

These accounts were approved by the Board of Directors on 15 September 2006 and signed on its behalf by:-



C Hood
Director

NEOS TRUSTEE COMPANY LIMITED

NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 31 MARCH 2006

1. Debtors

	2006	2005
Amounts owed by group undertaking	£1	£1

2. Called up Share Capital

	2006 No.	2005 No.	2006 £	2005 £
Authorised:				
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Allotted and fully paid or issued:				
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

3. The ultimate parent undertaking at the end of the period, and the only company which consolidates these accounts, was Scottish and Southern Energy plc, a company registered in Scotland. It has included the Company in its group accounts, copies of which are available from Scottish and Southern Energy plc, Inveralmond House, 200 Dunkeld Road, Perth, PH1 3AQ.