

Caledonian Gas Limited

Directors' Report and Accounts
for the period ended 31 December 2007

Registered No SC131307



Caledonian Gas Limited

Directors' Report

The directors present their report and unaudited Accounts for the period from 1 April 2007 to 31 December 2007

Activities and review

The company was established to complement the activities of the ScottishPower group. The company was not involved in trading during the period and was dormant.

The company has net liabilities of £6,844,000 at 31 December 2007 (31 March 2007 £6,844,000). The directors consider that sufficient funding will be made available to the company by Scottish Power UK plc to meet liabilities as they fall due for the foreseeable future.

The company has changed its accounting reference date to 31 December to match that of its ultimate parent undertaking, Iberdrola S A, and therefore these Accounts are prepared for the period from 1 April 2007 to 31 December 2007.

Directors

The directors who held office during the period were as follows:

Sheelagh Duffield	(resigned 26 October 2007)
John Heasley	
Marion Venman	(appointed 26 October 2007)

John Heasley resigned as a director of the company on 29 February 2008 and was replaced by David Wark on the same day.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements 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 financial statements, 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 financial statements,
- prepare the financial statements 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 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.

Caledonian Gas Limited

Directors' Report - continued

Auditors

The company is a dormant company within the meaning of Section 249AA(1) of the Companies Act 1985 (as amended) and is exempt from appointing auditors

On Behalf of the Board

A handwritten signature in black ink, appearing to read 'David Wark', is written over a horizontal line.

David Wark

Director

29 May 2008

Caledonian Gas Limited

Balance Sheet as at 31 December 2007

		31 December 2007 £'000	31 March 2007 £'000
	Notes		
Creditors* amounts falling due within one year			
Other creditors	3	(6,844)	(6,844)
Net liabilities		(6,844)	(6,844)
Called up share capital	4	250	250
Profit and loss account		(7,094)	(7,094)
Shareholder's deficit		(6,844)	(6,844)

The Notes on page 4 form part of these Accounts

For the period ended 31 December 2007 the company was entitled to the exemption under Section 249AA(1) of the Companies Act 1985

Members have not required the company to obtain an audit 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 the financial period, and of its profit and loss for the financial period, 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

Approved by the Board on 29 May 2008 and signed on its behalf by



David Wark

Director

Caledonian Gas Limited

Notes to the Accounts for the period ended 31 December 2007

1 Basis of accounting

The Accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards in the UK and with the requirements of the Companies Act 1985

2 Directors' emoluments

None of the directors received any remuneration in respect of their services to the company

3 Other creditors

	31 December 2007 £'000	31 March 2007 £'000
Amounts owed to parent undertaking	6,844	6,844

4 Share capital

	31 December 2007 £'000	31 March 2007 £'000
Authorised		
250,000 (31 March 2007 250,000) ordinary shares of £1 each	250	250
Allotted, called up and fully paid		
250,000 (31 March 2007 250,000) ordinary shares of £1 each	250	250

5 Related party transactions

In the period from 1 April 2007 to 23 April 2007, Scottish Power Limited had ultimate control over the company. On 23 April 2007, Scottish Power Limited was acquired by Iberdrola S A. From that date Iberdrola S A had ultimate control over the company. The company has taken an exemption, as allowed by FRS 8, 'Related Party Disclosures', not to disclose related party transactions with other group companies in the Iberdrola S A group as that company publishes full statutory consolidated Accounts.

6 Ultimate parent company

The directors regard Iberdrola S A as the ultimate parent company, which is also the parent company of the largest group in which the results of the company are consolidated. The parent company of the smallest group in which the results of the company are consolidated is Scottish Power UK plc. Copies of the consolidated Accounts of Iberdrola S A may be obtained from Iberdrola S A, Calle Gardoqui 8, Bilbao, Spain. Copies of the consolidated Accounts of Scottish Power UK plc can be obtained from The Secretary, Scottish Power Limited, 1 Atlantic Quay, Glasgow, G2 8SP.