

# **Woodend Group Limited**

## **Directors' Report and Accounts for the 18 month period ended 31 March 1997**

Registered No. SC140935



**Directors' Report and Accounts**  
**For the 18 month period ended 31 March 1997**

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# Report of the Directors

The directors present their report and the audited financial statements for the 18 month period to 31 March 1997.

## Principal activity and business review.

The principal activity of the company in the period under review was that of an administrative holding company.

During the period the entire share capital of Woodend Group Limited was acquired by Scottish Power plc.

100,000 redeemable preference shares were redeemed during the period in two tranches of 50,000 at a value of £70,000 each, on 30 November 1995 and 15 August 1996.

With regard to the net deficiency of assets in the Balance Sheet (page 6), and the preparation of the accounts, the Directors have obtained assurances from its ultimate parent company (note 14) that continuing financial support will be made available to allow the company to continue in business.

In the opinion of the Directors, the long term prospects of the company are favourable and therefore the accounts have been prepared on the going concern basis.

## Results and Dividend

The loss for the 18 month period under review to be transferred to reserves amounted to £953,876. An interim dividend of £4,667 was paid on preference shares during the period.

## Directors and their interests

The directors of the company during the period are listed below:

Robin Gray Steel	(appointed 23 May 1996, resigned 16 August 1996)
June Houldsworth	(resigned 15 August 1996)
Edward Duncan Prentice	(resigned 15 August 1996)
Roderick Alfred Matthews	
Gregory Joseph McLean	(appointed 15 August 1996)

No directors held any beneficial interest in the issued share capital of the company. The interests of the directors in the shares of the ultimate parent company, Scottish Power plc, together with their share options at 31 March 1997 are as follows:

### Ordinary Shares of 50p each

	<u>Share Numbers</u>		<u>Executive Share Option Scheme</u>		<u>Sharesave Scheme</u>	
	31/3/97	1/10/95	31/3/97	1/10/95	31/3/97	1/10/95
R A Matthews	922	381	53,640	53,640	6,300	6,160
G J McLean	5,176	N/A	19,304	N/A	3,705	N/A

## **Directors' responsibilities.**

Company law requires the directors to prepare financial statements for each financial period 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 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

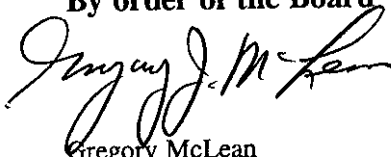
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention of fraud and other irregularities.

## **Auditors**

The previous auditors, KPMG, resigned during the period and Coopers & Lybrand were appointed.

Coopers & Lybrand have expressed their willingness to continue in office and a resolution to reappoint them as auditors will be proposed at the Annual General Meeting.

**By order of the Board**



Gregory McLean  
Director  
14 May 1997

## **Accounting Policies**

### **Basis of accounting**

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom and with the requirements of the Companies Act 1985.

### **Cash Flow Statement**

The company is exempt from including a Statement of Cash Flow in its accounts as it is a wholly owned subsidiary of a company incorporated in the United Kingdom which has included a consolidated Statement of Cash Flow in its consolidated accounts.

### **Turnover**

Turnover, which excludes value added tax, represents the value of services supplied.

### **Investments**

Investments are stated in the balance sheet at cost, or nominal value of the shares issued as consideration where applicable, less provision for any permanent diminution in value.

### **Taxation**

The charge for taxation is based on the profits for the period and takes into account taxation deferred, using the liability method, in respect of timing differences to the extent that it is probable that a liability will crystallise in the foreseeable future. Such timing differences arise primarily from the differing treatment for taxation and accounting purposes of provisions and the depreciation of fixed assets.

# Profit and Loss Account

For the 18 month period ended 31 March 1997

Notes		18 months to 31 March 1997 £	12 months to 30 September 1995 £
1	Turnover from continuing operations	260,000	70,000
	Cost of sales	-	-
	Gross profit from continuing operations	260,000	70,000
	Administrative expenses	(61,645)	(18,212)
2	Operating profit from continuing operations	198,355	51,788
	Amounts written off investments	(1,069,988)	-
	(Loss)/profit on ordinary activities before interest	(871,633)	51,788
4	Net interest charge	(23,108)	(38,227)
	(Loss)/profit on ordinary activities before taxation	(894,741)	13,561
5	Taxation	(54,468)	(3,390)
	(Loss)/profit for the period	(949,209)	10,171
6	Dividends paid	(4,667)	(8,000)
	(Loss)/profit retained	(953,876)	2,171

A statement of total recognised gains and losses and a reconciliation to historical cost profits and losses are not shown as all gains and losses for 1995 and 1997 are recognised in the profit and loss account under the historical cost convention.

The accounting policies on page 4, together with the notes on pages 7 to 9 form part of these accounts.

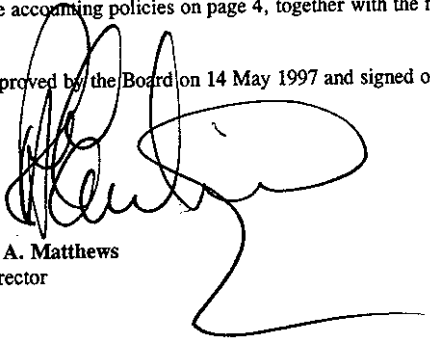
# Balance Sheet

as at 31 March 1997

	31 March 1997 £	30 September 1995 £
Notes		
Fixed assets	-	827,308
7 Investments	-	827,308
Current assets	856,693	440,777
8 Debtors	856,693	440,777
Creditors: amounts falling due within one year	(1,000,000)	(62,976)
9 Loans and other borrowings	(86,993)	(41,533)
10 Other creditors	(1,086,993)	(104,509)
Net current (liabilities)/assets	(230,300)	336,268
Total assets less current liabilities	(230,300)	1,163,576
Creditors: amounts falling due after more than one year	-	(300,000)
9 Loans and other borrowings	(230,300)	863,576
Net (liabilities)/assets		
11,12 Called up share capital	38,258	38,258
12 Share premium	722,735	722,735
12 Capital redemption reserve	100,000	-
12 Profit and loss account	(1,091,293)	2,583
12 Equity shareholders' (deficit)/funds	(230,300)	763,576
12 Non-equity shareholders' funds	-	100,000
Total shareholders' (deficit)/funds	(230,300)	863,576

The accounting policies on page 4, together with the notes on pages 7 to 9 form part of these accounts.

Approved by the Board on 14 May 1997 and signed on its behalf by

  
R. A. Matthews  
Director

  
G. J. McLean  
Director

# Notes to the accounts

## 1 Turnover

Turnover consists entirely of sales made in the United Kingdom from one class of business.

## 2 Operating profit

	18 months to 31 March 1997 £	12 months to 30 September 1995 £
Operating profit is stated after charging:		
Auditors' remuneration for audit	500	-

## 3 Employee information

The company has no employees except for the two directors who were not remunerated.

## 4 Interest charge

	18 months to 31 March 1997 £	12 months to 30 September 1995 £
Interest on overdrafts, bonds and other borrowings :		
Repayable wholly within five years	-	38,227
Repaid during the year	23,108	-
	23,108	38,227
<b>Interest charge</b>	<b>23,108</b>	<b>38,227</b>

Total interest payable can be analysed as relating to bank loans and overdrafts £23,108 (1995 £38,227).

## 5 Taxation

	18 months to 31 March 1997 £	12 months to 30 September 1995 £
UK Corporation Tax at 33% (1995 25%)	54,468	3,390

## 6 Dividends

	18 months to 31 March 1997 £	12 months to 30 September 1995 £
Interim - paid on preference shares	4,667	8,000



## 7 Fixed asset investments

	Subsidiary Undertaking £	Total £
<b>Cost or valuation :</b>		
At 1 October 1995	827,308	827,308
Acquisitions	242,680	242,680
Provision to reflect permanent diminuation in value	(1,069,988)	(1,069,988)
<b>At 31 March 1997</b>	-	-

Subsidiary Undertaking	Holding	Country of Registration
Woodend Holdings Limited	100%	Scotland

## 8 Debtors

	31 March 1997 £	30 September 1995 £
<b>Amounts falling due within one year :</b>		
Owed by fellow subsidiary undertakings	856,193	432,117
Prepayments and accrued income	-	2,559
Advance corporation tax	500	6,101
	<b>856,693</b>	<b>440,777</b>

## 9 Loans and other borrowings

	31 March 1997 £	30 September 1995 £
Bank overdraft	-	2,976
Bank loan	-	360,000
Amounts due to fellow subsidiary undertaking	1,000,000	-
	<b>1,000,000</b>	<b>362,976</b>
<b>Repayments fall due as follows :</b>		
Within one year, or on demand	1,000,000	62,976
After more than one year	-	300,000
	<b>1,000,000</b>	<b>362,976</b>
<b>Repayments due after more than one year are split as follows:</b>		
Between one and two years	-	300,000
	-	300,000

## 10 Other creditors

	31 March 1997 £	30 September 1995 £
<b>Amounts falling due within one year</b>		
Amounts owed to fellow subsidiary undertakings	18,180	26,219
Advance corporation tax	500	3,406
Corporation tax	56,291	7,908
Other creditors	12,022	4,000
	<b>86,993</b>	<b>41,533</b>

## 11 Share capital

	31 March 1997 £	30 September 1995 £
<b>Authorised :</b>		
383,910 (1995:383,910) Ordinary shares of 10p each	38,391	38,391
116,090 (1995:116,090) "A" ordinary shares of 10p each	11,609	11,609
100,000 (1995:100,000) Cumulative redeemable preference shares of £1 each	100,000	100,000
	<b>150,000</b>	<b>150,000</b>
<b>Allotted, called up and fully paid :</b>		
306,060 (1995:306,060) Ordinary shares of 10p each	30,606	30,606
76,515 (1995:76,515) "A" ordinary shares of 10p each	7,652	7,652
100,000 (1995:100,000) cumulative redeemable preference shares of £1 each	-	100,000
	<b>38,258</b>	<b>138,258</b>

## 12 Reconciliation of movements in shareholders' funds

	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total 1997 £
Balance at 1 October 1995	138,258	722,735	-	2,583	863,576
Retained profit for the period		-	-	(953,876)	(953,876)
Redemption of 100,000 preference shares	(100,000)		100,000	(140,000)	(140,000)
Balance at 31 March 1997	38,258	722,735	100,000	(1,091,293)	(230,300)

100,000 redeemable preference shares were redeemed in two tranches of 50,000 each, at a value of £70,000 each, on 30 November 1995 and 15 August 1996.

## 13 Directors' emoluments

No directors were paid any emoluments for their services to the company as directors during the period under review (1995:nil).

## 14 Ultimate Parent Company

Woodend Group Limited is a wholly owned subsidiary of Scottish Power plc. The parent company is registered in Scotland.

Copies of the ultimate parent company's consolidated accounts may be obtained from the Secretary, Scottish Power plc, 1 Atlantic Quay, Glasgow G2 8SP.

# Auditors' Report

to the members of Woodend Group Limited

We have audited the financial statements on pages 4 to 9.

## Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

## 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 financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group'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 affairs of the company at 31 March 1997 and of the loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand

Coopers & Lybrand  
Chartered Accountants and Registered Auditors  
Glasgow

14 May 1997

## **Directors, Secretary and Advisers**

### **Directors**

**June Houldsworth**

**(resigned 15 August 1996)**

**Roderick A. Matthews**

**(appointed 15 August 1996)**

**Gregory J. McLean**

**(appointed 15 August 1996)**

**Edward D. Prentice**

**(resigned 15 August 1996)**

**Robin G. Steel**

**(appointed 23 May 1996, resigned 16 August 1996)**

### **Secretary**

**David MacLeod**

### **Registered office**

**32 Hawbank Road**

**College Milton North**

**East Kilbride G74 5EX**

### **Advisers to the company**

#### **Solicitors**

**Shepherd & Wedderburn WS**

**Saltire Court**

**20 Castle Terrace**

**Edinburgh EH1 2ET**

#### **Auditors**

**Coopers & Lybrand**

**209 West George Street**

**Glasgow G2 2LW**

#### **Bankers**

**Bank of Scotland**

**32 Brandon Parade South**

**Motherwell ML1 1UW**