The CallCentre Service Limited

Directors' Report and Accounts
for the year ended 31 March 2004

Registered No. 02086507

THE CALLCENTRE SERVICE LIMITED

Directors' Report and Accounts
for the year ended 31 March 2004

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Report of the Directors

The directors present their report and audited Accounts for the year ended 31 March 2004.

Activities and review

Prior to the disposal of the company's business to Thus plc on 30 September 1999, the principal activity of the company was that of a provider of operators for a computer based telephone response and telemarketing bureau along with being an information service provider. The company was not involved in trading during the year.

Results and dividend

The loss for the year amounted to £38,000 (2003: £38,000). The directors recommend that no dividend be paid on the ordinary share capital for the year ended 31 March 2004 (2003: £Nil) and that the retained loss for the year after appropriations be transferred to reserves.

Directors and their interests

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

Charles Berry
David Nish

Neither of the directors who held office at the end of the financial year had any disclosable interests in the shares of the company.

As permitted by Statutory Instrument, the Register of Directors' Interests maintained under Section 325 of the Companies Act 1985 does not contain the interests of directors who are also directors of a company of which the company is a wholly owned subsidiary. Accordingly, the interests of Charles Berry and David Nish are disclosed in the Annual Report & Accounts for the year ended 31 March 2004 of Scottish Power plc.

Directors' responsibilities

The directors are required by UK company law to prepare Accounts for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that year.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements have been made in the preparation of the Accounts for the year ended 31 March 2004. The directors also confirm that applicable accounting standards have been followed and that the Accounts have been prepared on the going concern basis.

The directors are responsible for maintaining proper accounting records and sufficient internal controls to safeguard the assets of the company and to prevent and detect fraud or any other irregularities.

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Report of the Directors - continued

Auditors

Under Section 379A of the Companies Act 1985, the company has elected to dispense with the following obligations:

- to lay accounts and reports before general meetings;
- to hold annual general meetings; and
- to appoint auditors annually.

By Order of the Board

Donald McPherson
Secretary
30 September 2004

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Accounting Policies

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.

Statement of cash flows

The company is exempt from including a statement of cash flows in its Accounts as it is a wholly owned subsidiary of Scottish Power plc, which has included a consolidated statement of cash flows in its consolidated Accounts.

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Profit and Loss Account
for the year ended 31 March 2004

	Notes	2004 £'000	2003 £'000
Appropriations – non equity	1	**(38)**	(38)
Retained loss for the financial year	5	**(38)**	(38)

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 both years 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 8, form part of these Accounts.

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Balance Sheet
as at 31 March 2004

	Notes	2004 £'000	2003 £'000
Current assets			
Debtors	3	**2,918**	2,918
Net current assets		**2,918**	2,918
Net assets		**2,918**	2,918
Called up share capital	4,5	**2,613**	2,613
Share premium account	5	**305**	305
Total shareholders' funds	5	**2,918**	2,918
Equity shareholders' funds		**2,214**	2,252
Non-equity shareholders' funds		**704**	666
Total shareholders' funds	5	**2,918**	2,918

The accounting policies on page 4, together with the Notes on pages 7 to 8, form part of these Accounts.

Approved by the Board on 30 September 2004 and signed on its behalf by:

David Nish
Director

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Notes to the Accounts
for the year ended 31 March 2004

1 Appropriations – non equity

	2004 £'000	2003 £'000
Appropriations:-		
10% Preference shares	38	38

In accordance with the provisions of Financial Reporting Standard 4, the company has appropriated through the profit and loss account preference share dividends for the year on the non-equity shares issued by the company. However, as the company did not have sufficient distributable reserves in order to pay such preference share dividends, these dividends were credited back within the profit and loss reserve. The total cumulative preference share dividend which has not been declared is £323,000 (2003: £285,000).

2 Audit fees

Audit fees are borne by the ultimate parent company, Scottish Power plc.

3 Debtors

	2004 £'000	2003 £'000
Amount falling due within one year:		
Amounts due from group undertakings	2,918	2,918
	2,918	2,918

4 Share capital

	2004 £'000	2003 £'000
Authorised:		
4,464,036 (2003: 4,464,036) Ordinary shares of 50p each	2,232	2,232
380,987 (2003: 380,987) Preference shares of £1 each	381	381
	2,613	2,613
Allotted, called up and fully paid:		
4,464,036 (2003: 4,464,036) Ordinary shares of 50p each	2,232	2,232
380,987 (2003: 380,987) Preference shares of £1 each	381	381
	2,613	2,613

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Notes to the Accounts - continued

4 Share capital - continued

Rights of Shareholders

(a) As regards income

The preference shares are entitled to a fixed cumulative dividend of £0.10 per share per annum.
Any remaining profits which the company may determine to distribute in any financial year shall be distributed amongst the holders of the ordinary shares pari passu according to the amounts paid up.

(b) As regards capital

On a return of capital on liquidation or otherwise, the surplus assets of the company remaining after the payment of its liabilities shall be applied as follows:-

- First in paying the holders of the ordinary shares the amounts paid up or credited as paid up.
- Next paying the preference shareholders the amounts paid up or credited as paid up.
- The balance of such assets shall belong to and be distributed amongst the holders of the ordinary shares.

(c) As regards redemption

The company shall be entitled to redeem all or any of the preference shares, at any time, at par.

5 Reconciliation of movements in shareholders' funds

	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total 2004 £'000	Total 2003 £'000
Balance at 1 April	2,613	305	-	2,918	2,918
Retained loss for the year	-	-	(38)	(38)	(38)
Reversal of appropriations of non-equity dividends	-	-	38	38	38
Balance at 31 March	**2,613**	**305**	**-**	**2,918**	2,918

6 Directors' emoluments

Neither of the directors received any remuneration in respect of their services to the company.

7 Related party transactions

Scottish Power plc has ultimate control over the company. The company has taken an exemption, as allowed by Financial Reporting Standard 8, not to disclose related party transactions with other group companies as the ultimate parent company publishes full statutory consolidated Accounts.

8 Ultimate parent company

The directors regard Scottish Power plc 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 both companies' consolidated Accounts can be obtained from The Secretary, Scottish Power plc, 1 Atlantic Quay, Glasgow, G2 8SP.

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Independent Auditors' Report to the members of The CallCentre Service Limited

We have audited the Accounts on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 4.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Directors' Report and Accounts 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 Accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 if, in our opinion, the Report of the Directors is not consistent with the Accounts, 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 Directors' Report and Accounts and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Accounts. The other information comprises the Report of the Directors.

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 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 of the state of the company's affairs at 31 March 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Glasgow
30 September 2004