

**South Wales TPL Investments Limited**

**Director's report and financial statements  
for the year ended 31 March 2001**

Registered No: 2579323



Registered address:  
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St Mellons  
Cardiff  
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**South Wales TPL Investments Limited**

**Directors' report and financial statements for the year 31 March 2001**

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## **South Wales TPL Investments Limited**

### **Directors and advisors**

#### **Directors**

D C S Oosthuizen	appointed 20 October 2000
T Masood	appointed 20 October 2000
J M James	resigned 30 March 2001
J A Thomas	resigned 25 July 2000
C J Martin	resigned 20 October 2000
S N Jones	resigned 20 October 2000
	appointed 25 July 2000

#### **Company Secretary**

S Jones	appointed 21 March 2001
R G Curtis	resigned 21 March 2001

#### **Auditors**

PricewaterhouseCoopers

#### **Solicitors**

Edwards Geldard  
Allen & Overy

#### **Principal bankers**

National Westminster Bank plc

## **South Wales TPL Investments Limited**

### **Directors' report**

The directors present their report and financial statements for the year ended 31 March 2001.

### **Review of the business**

The principal activity of the company is the investment in projects for the generation of electricity. The company holds 7.7% of the equity of Teesside Power Limited (TPL) which owns and operates a gas-fired power station in Wilton, England.

### **Trading results**

The results for the year are shown on page 6.

An interim dividend of £12,700,000 per ordinary share (2000 : £1,923,000) was paid on 6 March 2001. The directors have not recommended a final dividend per ordinary share.

### **Directors**

Details of the directors who served during the year are shown on page 1.

### **Directors' interests**

No director had any interest in the share capital of the company at any time during the year.

J M James was a director of Hyder Limited (formerly Hyder plc) and held 13,084 ordinary shares in Hyder Limited on 31 March 2000. These shares were sold to WPD Limited when Hyder Limited was acquired on 15 September 2000. J M James also held 450 £1 cumulative preference shares in Hyder Limited which were redeemed at par by Hyder Limited on 31 January 2001.

J M James held share options in Hyder Limited which lapsed when Hyder Limited was acquired on 15 September 2000.

### **Auditors**

PricewaterhouseCoopers will not be seeking re-appointment as auditors for the forthcoming year. A resolution to appoint a successor will be proposed at the annual general meeting.

### **By order of the Board**

*Sally A Jones*

**S Jones**

**Company Secretary**

**2 November 2001**

## **South Wales TPL Investments Limited**

### **Directors' responsibilities for the financial statements**

The directors are required by the Companies Act 1985 to prepare financial statements 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 the year. In preparing the financial statements, the directors ensure that appropriate accounting policies have been adopted and applied consistently, that applicable accounting standards have been followed and that reasonable and prudent judgements and estimates have been made.

It is the directors' responsibility to maintain adequate accounting records and to institute and maintain systems and controls designed to safeguard the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**By order of the Board**

*Sally A Jones*

**S Jones  
Company Secretary**

**2 November 2001**

## **South Wales TPL Investments Limited**

### **Auditors' report to the members of South Wales TPL Investments Limited**

We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

#### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, 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.

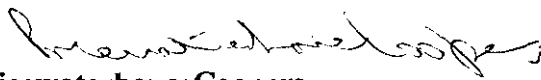
#### **Basis of audit opinion**

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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 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 company's affairs at 31 March 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**

Chartered Accountants and Registered Auditors  
Cardiff

**2 November 2001**

## **South Wales TPL Investments Limited**

### **Principal accounting policies**

The financial statements have been prepared in accordance with Accounting Standards applicable in the United Kingdom. A summary of the principal accounting policies, which have been consistently applied, is shown below.

### **Basis of accounting**

These financial statements have been prepared in accordance with the historical cost convention.

### **Investments**

Long term investments held as fixed assets are stated at cost less amounts written off or provided to reflect impairments in value.

Income from such investments, including dividends declared in respect of the period but not paid, is accrued up to the end of the relevant accounting period.

### **Deferred taxation**

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

# South Wales TPL Investments Limited

## Profit and loss account for the year ended 31 March 2001

	Notes	2001 £'000	2000 £'000
<b>Turnover</b>		<u>892</u>	<u>976</u>
Net operating costs	1	<u>(2)</u>	<u>(2)</u>
		890	974
 Income from fixed asset investments	 2	 <u>3,200</u>	 <u>1,923</u>
 <b>Profit on ordinary activities before interest</b>		 <u>4,090</u>	 <u>2,897</u>
Interest receivable		<u>293</u>	<u>152</u>
<b>Profit on ordinary activities before taxation</b>		<u>4,383</u>	<u>3,049</u>
Taxation	4	<u>(324)</u>	<u>(361)</u>
<b>Profit on ordinary activities after taxation</b>		<u>4,059</u>	<u>2,688</u>
 Dividends	 5	 <u>(12,700)</u>	 <u>(1,923)</u>
 <b>Retained (loss)/profit for the year</b>	 12	 <u><u>(8,641)</u></u>	 <u><u>765</u></u>

All activities are continuing.

The company has no recognised gains and losses other than the retained loss above, and therefore, no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained (loss)/profit for the year stated above, and their historical cost equivalents.



# South Wales TPL Investments Limited

## Balance sheet at 31 March 2001

	Notes	2001 £'000	2000 £'000
<b>Fixed assets</b>			
Fixed asset investments	6	13,072	13,072
<b>Current assets</b>			
Debtors	7	10	4,973
Cash at bank and in hand		<u>312</u>	<u>-</u>
		322	4,973
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	8	<u>(174)</u>	<u>(7,803)</u>
<b>Net current assets/(liabilities)</b>		<u>148</u>	<u>(2,830)</u>
<b>Total assets less current liabilities</b>		13,220	10,242
<b>Creditors: amounts falling due after more than one year</b>	9	(11,754)	-
<b>Provisions for liabilities and charges</b>	10	-	(135)
<b>Net assets</b>		<u>1,466</u>	<u>10,107</u>
<b>Shareholders' funds</b>			
Share capital	11	-	-
Profit and loss account	12	<u>1,466</u>	<u>10,107</u>
<b>Equity shareholders' funds</b>		<u>1,466</u>	<u>10,107</u>

The financial statements on pages 5 to 12 were approved by the board of directors on 2 November 2001 and were signed on its behalf by:



**D C S Oosthuizen**  
Director



**T Masood**  
Director

# South Wales TPL Investments Limited

## Reconciliation of movements in shareholders' funds for the year ended 31 March 2001

	2001 £'000	2000 £'000
Total profit on ordinary activities after taxation for the year	4,059	2,688
Ordinary dividend	(12,700)	(1,923)
Net (decrease)/increase in shareholders' funds	(8,641)	765
Opening shareholders' funds	10,107	9,342
Closing shareholders' funds	1,466	10,107

# South Wales TPL Investments Limited

## Notes to the financial statements

### 1 Net operating costs

	2001	2000
	£'000	£'000
Auditors' fees – audit services	<u>2</u>	<u>2</u>

### 2 Investment income

	2001	2000
	£'000	£'000
Dividends receivable from Teesside Power Limited	<u>3,200</u>	<u>1,923</u>

### 3 Directors and employees

There were no directors' emoluments in the year (2000 : £nil).

No loans or credit transactions with any directors, officers or connected persons subsisted during the year or were outstanding at the end of the year.

There were no staff costs paid in the year as the company did not employ any staff.

### 4 Taxation

	2001	2000
	£'000	£'000
Based on the results for the year:		
Group relief payable	355	338
Deferred taxation (released)/charged	<u>(31)</u>	<u>31</u>
	324	369
Prior year adjustments:		
Corporation tax	-	2
Group relief recoverable	<u>-</u>	<u>(10)</u>
	<u>324</u>	<u>361</u>

### 5 Dividends

	2001	2000
	£'000	£'000
Dividends on equity shares:		
Interim proposed and paid £6,350,000 per ordinary share (2000: £961,500)	<u>12,700</u>	<u>1,923</u>

# South Wales TPL Investments Limited

## Notes to the financial statements

### 6 Fixed asset investments

	Unlisted Investments £'000
<b>Cost and net book value</b>	
At 1 April 2000 and 31 March 2001	<u>13,072</u>

The company holds a 7.7% interest in the ordinary share capital of Teesside Power Limited whose principal activity is the generation of electricity.

### 7 Debtors

	2001 £'000	2000 £'000
Amount falling due within one year:		
Amounts due to parent company	-	4,973
Prepayments and accrued income	<u>10</u>	<u>-</u>
	<u>10</u>	<u>4,973</u>

### 8 Creditors: amounts falling due within one year

	2001 £'000	2000 £'000
Amounts due to parent company	-	7,803
Amount due to group company	11	-
Other creditors	<u>163</u>	<u>-</u>
	<u>174</u>	<u>7,803</u>

### 9 Creditors: amounts falling due after more than one year

	2001 £'000	2000 £'000
Amounts due to parent company	<u>11,754</u>	<u>-</u>

### 10 Provision for liabilities and charges

	2001 £'000	2000 £'000
<b>a) Provision against contract payments</b>		
At 1 April	104	-
Amount provided during the year	-	104
Released to profit and loss account	<u>(104)</u>	<u>-</u>
At 31 March	<u>-</u>	<u>104</u>
<b>b) Deferred taxation</b>		
At 1 April	31	-
Amount provided during the year	-	31
Released to profit and loss account	<u>(31)</u>	<u>-</u>
At 31 March	<u>-</u>	<u>31</u>

## South Wales TPL Investments Limited

### Notes to the financial statements

#### 11 Share capital

	2001 £	2000 £
<b>Authorised</b>		
100 (2000: 100) ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>Allotted, called up and fully paid</b>		
2 ordinary shares of £1 each (2000: 2)	<u>2</u>	<u>2</u>

#### 12 Profit and loss account

	2001 £'000	2000 £'000
At 1 April	10,107	9,342
Retained (loss)/profit for the year	(8,641)	765
At 31 March	<u>1,466</u>	<u>10,107</u>

#### 13 Cashflow statement

A cash flow statement is not presented since WPD Holdings UK, the ultimate UK parent company, has prepared a consolidated cash flow statement, including the cash flows of this company in accordance with the exemption given under Financial Reporting Standard No 1 (Revised).

#### 14 Contingent liabilities

The company is a participant in a cash pooling arrangement operated by National Westminster Bank plc in the UK. The company has guaranteed the bank overdraft balances of the participating companies subject to a maximum amount equal to the company's own cash balance with the bank. At 31 March 2001 the overdrafts subject to the cash pooling arrangements amounted to £9.5m (2000: £29.9m).

#### 15 Related party transactions

In accordance with the exemption afforded by Financial reporting Standard No 8 there is no disclosure in these financial statements of transactions with entities that are part of the WPD Holdings UK group or are investees of the WPD Holdings UK group qualifying as related parties.

## **South Wales TPL Investments Limited**

### **Notes to the financial statements**

#### **16 Immediate and ultimate parent company**

The immediate parent company is Hyder Limited. The smallest and largest group within which the results of this company are consolidated is headed by Hyder Limited. Copies of the accounts of Hyder Limited can be obtained from Company Secretary, Avonbank, Feeder Road, Bristol, BS2 0TB. The ultimate UK parent company is WPD Investment Holdings Limited which is registered in England & Wales. Copies of the report and financial statements are available from the Company Secretary, Avonbank, Feeder Road, Bristol, BS2 0TB.

The ultimate controlling parties are Mirant Corporation and PPL Corporation, both registered in the United States, who have equal control of WPD Investment Holdings Limited.