

Registered Number: 4240852

WPD 1957 LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2005

WPD 1957 Limited is an integral part of a larger UK group. The structure of the group is such that the financial statements of WPD 1957 Limited must be read in conjunction with the group financial statements of Western Power Distribution Holdings Limited to gain a full understanding of the group results for the year and the related cash flows, together with the financial position of the group as at 31 March 2005.



Contents

	Page
Directors' report	1
Statement of directors' responsibilities	2
Independent auditors' report to the member of WPD 1957 Limited	3
Financial statements:	
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6

Directors' report

For the year ended 31 March 2005

The directors present their report and audited financial statements of WPD 1957 Limited (the "Company") for the year ended 31 March 2005.

Principal activity and business review

The principal activity of the Company is to make and hold investments.

The Company is a wholly-owned subsidiary of Western Power Distribution Holdings Limited which is owned indirectly by PPL Corporation, an electricity utility of Allentown, Pennsylvania, United States of America ("US").

Results and dividends

The profit after tax for 2005 was £10,667 (2004: £9,000). No dividend was paid during the year (2004: £1,000).

Directors and their interests

The directors who served during the period were as follows:

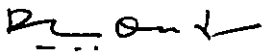
D C S Oosthuizen
R A Symons

No director had any interest in the shares of the Company or any company within the Western Power Distribution Holdings Limited group at any time during the year. There were no significant contracts subsisting during or at the end of the year with the Company in which any director is or was materially interested.

Auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office and their reappointment as auditors will be put before the Annual General Meeting.

By Order of the Board



D C S Oosthuizen
Director

WPD 1957 Limited

Avonbank
Feeder Road
Bristol
BS2 0TB

15 August 2005

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year 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 year. 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which 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.

Independent auditors' report
to the member of WPD 1957 Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes which have been prepared under the accounting policies set out in note 1.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements 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 financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Accounting Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for, and only for, the Company's member 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 financial statements 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 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 with the Company is not disclosed.

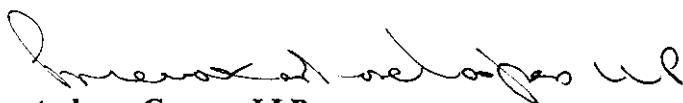
Basis of opinion

We conducted our audit in accordance with United Kingdom 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 circumstances of the Company, 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 affairs of the Company at 31 March 2005 and of the Company's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants & Registered Auditors
Cardiff

15 August 2005

Profit and loss account

For the year ended 31 March 2005

	Note	2005 £	2004 £
Operating expenses		-	(33)
Income from fixed asset investments	2	4,896	8,600
Interest receivable		102	76
Profit on ordinary activities before taxation	3	4,998	8,643
Tax on profit on ordinary activities	4	5,669	357
Profit for the financial year		10,667	9,000
Dividends	5	-	(1,000)
Retained profit for the financial year		10,667	8,000

All operations are continuing.

There are no recognised gains or losses other than those in the results 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 profit for the year stated above, and their historical cost equivalents.

The accompanying notes are an integral part of these financial statements.


Balance sheet

31 March 2005

	Note	2005 £	2004 £
Fixed assets			
Investments	7	69,585	69,585
Current assets			
Debtors	8	6,035	366
Cash at bank and in hand		5,107	5,005
		11,142	5,371
Creditors			
Amounts falling due within one year	9	(62,089)	(66,985)
Net current liabilities		(50,947)	(61,614)
Net assets		18,638	7,971
Capital and reserves			
Called-up share capital	10	1	1
Profit and loss account	11	18,637	7,970
Equity shareholder's funds	12	18,638	7,971

The accompanying notes are an integral part of these financial statements.

The financial statements on pages 4 to 9 were approved by the Board of Directors on 15 August 2005 and were signed on its behalf by :



D C S Oosthuizen
Director

Notes to the financial statements

For the year ended 31 March 2005

1. Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently, is set out below.

Basis of preparation

The financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with applicable accounting standards. They have been prepared under United Kingdom Generally Accepted Accounting Practice. ("UK GAAP")

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements.

Cash flow statement

The Company is exempt from the requirement to prepare a cash flow statement under Financial Reporting Standard 1 (revised) on the basis that it is a wholly-owned subsidiary of Western Power Distribution Holdings Limited, which is registered in England and Wales and includes a consolidated cash flow statement in its group financial statements.

2. Income from fixed asset investments

Income from fixed asset investments is solely in respect of profits allocated from the Company's partnership interest in Western Power Distribution LLP.

3. Profit on ordinary activities before taxation

The Company's audit fee was borne by another company within the Western Power Distribution Holdings Limited group.

Notes to the financial statements

For the year ended 31 March 2005

4. Tax on loss on ordinary activities

(a) Analysis of credit in the year:

	2005 £	2004 £
Current tax		
Group relief receivable	6,026	357
Adjustment to current tax in respect of prior years	(357)	-
Total current tax credit (note 4 (b))	5,669	357

(b) Factors affecting the tax credit for the year

The tax assessed for the year is different to the standard rate of corporation tax in the UK (30%). The difference is explained below:

	2005 £	2004 £
Profit on ordinary activities before tax	4,998	8,643
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%:	(1,499)	(2,593)
Effects of:		
Expenses not deductible and income not taxable for tax purposes	1,468	2,580
Notional intra-group recharges required under UK tax legislation	4,308	-
Share of partnership tax credit	1,749	370
Adjustments to tax charge in respect of prior years	(357)	-
Current tax credit for the year (note 4(a))	5,669	357

5. Dividends

	2005 £	2004 £
Equity shares - interim dividends declared	-	1,000

6. Directors and employees

Emoluments of directors were in respect of their services to other group companies. Details are given in the financial statements of Western Power Distribution Holdings Limited. The Company had no employees in either year.

Notes to the financial statements

For the year ended 31 March 2005

7. Fixed asset investments

	Partnership interest in Western Power Distribution LLP £
At 1 April 2004	69,585
Allocation of profit	4,896
Drawings	(4,896)
At 31 March 2005	69,585

8. Debtors

	2005 £	2004 £
Group relief receivable	6,035	366

9. Creditors : amounts falling due within one year

	2005 £	2004 £
Loan from parent undertaking	62,089	66,985

The loan is specifically related to the Company's investment in Western Power Distribution LLP. It is an unsecured, non-interest bearing note repayable on demand.

10. Called-up share capital

	2005 £	2004 £
Authorised: 1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
Allotted and called-up: 1 ordinary share of £1	1	1

Notes to the financial statements

For the year ended 31 March 2005

11. Profit and loss account reserves

	2005 £	2004 £
At 1 April 2004	7,970	(30)
Retained profit for the year	10,667	8,000
At 31 March 2005	18,637	7,970

12. Reconciliation of movements in equity shareholder's funds

	2005 £	2004 £
Profit for the year	10,667	9,000
Dividends	-	(1,000)
Net change in equity shareholder's funds	10,667	8,000
Opening equity shareholder's funds/(deficit)	7,971	(29)
Closing equity shareholder's funds	18,638	7,971

13. Related party transactions

The Company, being a wholly-owned subsidiary undertaking, has taken the exemption available from related party disclosure requirements of Financial Reporting Standard 8 as the financial statements of the parent company are available to the public (note 14).

14. Ultimate parent undertaking

The immediate parent undertaking of the Company is Western Power Distribution Holdings Limited, which is registered in England and Wales.

The smallest group in which the results of the Company are consolidated is that headed by Western Power Distribution Holdings Limited. Copies of these financial statements may be obtained from the Company's registered office as stated below. The largest group in which the results of the Company are consolidated is headed by PPL Corporation, which is the ultimate parent undertaking. Copies of their accounts may be obtained from that company at Two North Ninth Street, Allentown, Pennsylvania, PA18101-1179, US.

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