

Registered Number: 4240852

**WPD 1957 LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 March 2010**

**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.**

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## **Directors' report**

For the year ended 31 March 2010

The directors present their annual report and audited financial statements of WPD 1957 Limited (the "Company") company number 4240852 for the year ended 31 March 2010

### **Principal activity and business review**

The principal activity of the Company is to make and hold investments This is expected to continue

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

The Company has taken the small company exemption available under s417 of the Companies Act 2006 and is therefore not required to prepare a business review in accordance with s415 of the Companies Act 2006

### **Results and dividends**

Profit after tax for 2010 was £20,209 (2009: loss £1,836) No dividend was paid during the year (2009: nil)

### **Directors and their interests**

The directors who served throughout the year were

D C S Oosthuizen

R A Symons

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.

Insurance in respect of directors and officers is maintained by the Group parent, PPL Corporation The insurance is subject to the conditions set out in the companies acts and remains in force at the date of signing the Directors' report

### **Disclosure of information to the auditors**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information

### **Auditors**

Elective resolutions to dispense with the holding of annual general meetings, the laying of financial statements before the Company and the appointment of auditors annually are currently in force The auditors, Ernst & Young LLP, will therefore be deemed to have been reappointed at the end of 28 days beginning with the day on which copies of this report and financial statements are sent to the member

By Order of the Board



D C S Oosthuizen, Director  
23 August 2010

### **WPD 1957 Limited**

Avonbank  
Feeder Road  
Bristol, BS2 0TB

## **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. 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 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 UK 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 that are sufficient to show and explain the Company's transactions and 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 2006. 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 members of WPD 1957 Limited**

We have audited the financial statements of WPD 1957 Limited for the year ended 31 March 2010 which comprise the Profit and loss account, the Balance sheet, and the related Notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

As explained more fully in the Statement of directors' responsibilities (set out on page 2), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit



*Trevor Denny, Statutory Auditor*

*For and on behalf of Ernst & Young LLP, Statutory Auditors, Bristol*

25 August 2010

## Profit and loss account

For the year ended 31 March 2010

	Note	2010 £	2009 £
Operating expenses	2	(6,490)	(7,025)
Operating loss		(6,490)	(7,025)
Income from fixed asset investments	3	49,447	485
Impairment charge	6	(26,500)	-
Interest receivable		3	88
<b>Profit/(loss) on ordinary activities before tax</b>		<b>16,460</b>	<b>(6,452)</b>
Tax on profit/(loss) on ordinary activities	4	3,749	4,616
<b>Profit/(loss) for the financial year</b>	10	<b>20,209</b>	<b>(1,836)</b>

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/(loss) on ordinary activities before tax and the profit/(loss) for the financial year stated above, and their historical cost equivalents

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

**Balance sheet**

31 March 2010

	Note	2010 £	2009 £
<b>Fixed assets</b>			
Investment	6	43,085	69,585
<b>Current assets</b>			
Debtors	7	13,744	9,996
Cash at bank		5,461	5,481
		19,205	15,477
<b>Creditors</b>			
Amounts falling due within one year	8	(10,787)	(53,768)
<b>Net current assets/(liabilities)</b>		<b>8,418</b>	<b>(38,291)</b>
<b>Net assets</b>		<b>51,503</b>	<b>31,294</b>
<b>Capital and reserves</b>			
Called-up share capital	9	1	1
Profit and loss account	10	51,502	31,293
<b>Equity shareholder's funds</b>	11	<b>51,503</b>	<b>31,294</b>

The accompanying notes are an integral part of these financial statements

The financial statements on pages 4 to 10 were approved by the Board of Directors on 23 August 2010 and were signed on its behalf by .



D C S Oosthuizen  
Director

## **Notes to the financial statements**

For the year ended 31 March 2010

### **1. Accounting policies**

The principal accounting policies are summarised below

#### **Basis of preparation**

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards. They are prepared under United Kingdom Generally Accepted Accounting Practice ("UK GAAP"). Accounting policies have been applied consistently throughout the year and the preceding year except where changes have been made to previous policies on adoption of new accounting standards.

#### **Change in accounting policies**

There were no changes in accounting standards which had an impact on the Company during the year.

#### **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.

#### **Investments**

Investment income is included in the financial statements in the year in respect of which it is receivable. Fixed asset investments are shown at cost less any provisions for impairment.

#### **Cash flow statement**

There is no statement of cash flows as the Company is an indirect, wholly-owned subsidiary of Western Power Distribution Holdings Limited, which is registered in England and Wales and which includes a consolidated cash flow statement in its financial statements. This treatment is permitted by Financial Reporting Standard ("FRS") 1 (Revised 1996).

### **2. Operating expenses**

Operating expenses comprise a management charge from another company within the Western Power Holdings Limited group ("the Group").

The Company's audit fee was borne by another company within the Group in both years.

### **3. 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.



## Notes to the financial statements

For the year ended 31 March 2010

### 4. Tax on loss on ordinary activities

#### (a) Analysis of credit in the year

	2010 £	2009 £
<b>Current tax</b>		
Group relief receivable	3,122	4,616
<b>Total current tax credit (note 4 (b))</b>	<b>3,122</b>	<b>4,616</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	627	-
<b>Total deferred tax (note 7)</b>	<b>627</b>	<b>-</b>
<b>Tax on profit on ordinary activities</b>	<b>3,749</b>	<b>4,616</b>

#### (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 of 28%. The difference is explained below.

	2010 £	2009 £
<b>Profit/(loss) on ordinary activities before tax</b>	<b>16,460</b>	<b>(6,452)</b>
<b>Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 28%</b>	<b>(4,609)</b>	<b>1,807</b>
<b>Effects of</b>		
Expenses not deductible and income not taxable for tax purposes	7,052	135
Notional intra-group recharges required under UK tax legislation	350	1,068
Share of partnership tax credit	956	1,606
Other timing differences	(627)	-
<b>Current tax credit for the year (note 4(a))</b>	<b>3,122</b>	<b>4,616</b>

## Notes to the financial statements

For the year ended 31 March 2010

### 5. Directors and employees

No emoluments were paid to the directors for services to the Company in either year. The directors received emoluments for their services to affiliated companies. Details are given in the accounts of Western Power Distribution Holdings Limited. The Company had no employees in either year.

### 6. Fixed asset investment

	Partnership interest in Western Power Distribution LLP £
<b>Cost/nominal value of shares issued</b>	
At 1 April 2009	69,585
Allocation of profit	49,447
Drawings	(49,447)
At 31 March 2010	69,585
<b>Amounts written off</b>	
At 1 April	-
Charge in the year *	26,500
At 31 March 2010	26,500
Net book value	43,085

\* Owing to the amount of drawings allocated from the Company's partnership interest in Western Power Distribution LLP during the year, the carrying amount of its interest was reviewed for impairment and a charge of £26,500 was recorded

The Company's partnership interest in Western Power Distribution LLP, whose registered office is the same as the Company, represents 0.01% of the total partnership interest

### 7. Debtors

	2010 £	2009 £
Group tax relief receivable	13,117	9,996
Deferred tax asset	627	-
	13,744	9,996

## Notes to the financial statements

For the year ended 31 March 2010

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

	2010 £	2009 £
Loan from parent undertaking	-	40,570
Amounts owed to Group undertakings	10,787	13,198
	10,787	53,768

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

### 9. Called-up share capital

	2010 £	2009 £
Allotted and called-up - 1 ordinary share of £1	1	1

### 10. Profit and loss account

	2010 £	2009 £
At 1 April	31,293	33,129
Profit/(loss) for the financial year	20,209	(1,836)
At 31 March	51,502	31,293

### 11. Reconciliation of movements in equity shareholder's funds

	2010 £	2009 £
Profit/(loss) for the financial year	20,209	(1,836)
Opening equity shareholder's funds	31,294	33,130
Closing equity shareholder's funds	51,503	31,294

## **Notes to the financial statements**

For the year ended 31 March 2010

### **12. Related party transactions**

The Company, being a wholly-owned subsidiary undertaking, has taken the exemption available from related party disclosure requirements of FRS 8 as the financial statements of the parent company are available to the public (Note 13)

### **13. 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 ultimate controlling party is PPL Corporation, registered in the United States. The largest group in which the results of the Company are consolidated is headed by PPL Corporation. Copies of these accounts may be obtained from Two North Ninth Street, Allentown, Pennsylvania, PA18101-1179, USA.

#### ***Registered Office :***

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