

Registered Number: 4240852

**WPD 1957 LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 March 2004**

**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 2004.**



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## **Directors' report**

For the year ended 31 March 2004

The directors present their report and audited financial statements of WPD 1957 Limited (the "Company") for the year ended 31 March 2004.

### **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 2004 was £9,000 (2003: £16 loss). A dividend of £1,000 was paid during the year (2003: nil).

### **Directors and their interests**

The directors who served during the period were as follows:

	<u>Appointed</u>
D C S Oosthuizen	9 August 2001
R A Symons	17 January 2003

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

11 August 2004

## **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.

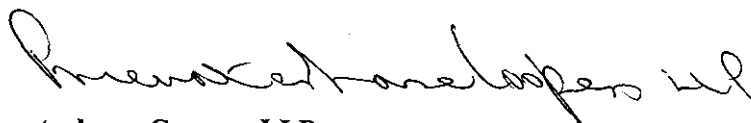
**Basis of opinion**

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 2004 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

11 August 2004

## Profit and loss account

For the year ended 31 March 2004

	Note	2004 £	2003 £
Operating expenses		(33)	(32)
Income from fixed asset investments	2	8,600	-
Interest receivable		76	13
<b>Profit/(loss) on ordinary activities before taxation</b>	3	8,643	(19)
Tax on profit/(loss) on ordinary activities	4	357	3
<b>Profit/(loss) for the financial year</b>		9,000	(16)
Dividends	5	(1,000)	-
<b>Retained profit/(loss) for the financial year</b>		8,000	(16)

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 taxation and the retained profit/(loss) 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 2004

	Note	2004 £	2003 £
<b>Fixed assets</b>			
Investments	7	69,585	100,000
<b>Current assets</b>			
Debtors	8	366	10
Cash at bank and in hand		5,005	4,961
		5,371	4,971
<b>Creditors</b>			
Amounts falling due within one year	9	(66,985)	(105,000)
<b>Net current liabilities</b>		(61,614)	(100,029)
<b>Net assets/(liabilities)</b>		7,971	(29)
<b>Capital and reserves</b>			
Called-up share capital	10	1	1
Profit and loss account	11	7,970	(30)
<b>Equity shareholder's funds/(deficit)</b>	11	7,971	(29)

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 11 August 2004 and were signed on its behalf by :



D C S Oosthuizen  
Director

## **Notes to the financial statements**

For the year ended 31 March 2004

### **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.

#### **Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially 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 periods 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/(loss) 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 2004

### 4. Tax on loss on ordinary activities

(a) Analysis of credit in the year:

	2004 £	2003 £
Current tax - UK corporation tax on profit/(loss) for the year (note 4(b))	357	3

The tax benefit of these losses will be surrendered to other group companies.

(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:

	2004 £	2003 £
Profit/(loss) on ordinary activities before tax	8,643	(19)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%:	(2,593)	6
Effects of:		
Expenses not deductible and income not taxable for tax purposes	2,580	-
Share of partnership tax credit/(charge)	370	(3)
Current tax credit for the year (note 4(a))	357	3

### 5. Dividends

	2004 £	2003 £
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 2004

### 7. Fixed asset investments

	Partnership interest in Western Power Distribution LLP £
At 1 April 2003	100,000
Allocation of profit	8,600
Drawings	(39,015)
At 31 March 2004	69,585

### 8. Debtors

	2004 £	2003 £
Corporation tax	366	9
Called-up share capital unpaid	-	1
	366	10

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

	2004 £	2003 £
Loan from parent undertaking	66,985	105,000

The loan from parent undertaking 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

	2004 £	2003 £
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 2004

### 11. Profit and loss account and equity shareholder's funds/(deficit)

	Profit and loss account £	Equity shareholder's funds £
At 1 April 2003	(30)	(29)
Retained profit for the year	8,000	8,000
At 31 March 2004	7,970	7,971

### 12. 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 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 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.

#### **Registered Office :**

#### **WPD 1957 Limited**

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Feeder Road  
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