
Viridian Energy Supply Limited

Report and Accounts

31 March 2000

Registered No. NI 35800



Viridian Energy Supply Limited

Registered No : NI 35800

DIRECTORS

Alan Gaston
Nigel Wilson

SECRETARY

James McDonnell

AUDITORS

Ernst & Young
Bedford House
16 Bedford Street
Belfast
BT2 7DT

REGISTERED OFFICE

120 Malone Road
Belfast
BT9 5HT

BANKERS

Bank of Ireland
54 Donegall place
Belfast
BT1 5BS

SOLICITORS

Cameron McKenna
Mitre House
160 Aldersgate Street
London
EC1A 4DD

DIRECTORS' REPORT

The directors present their report and the financial statements for the period ended 31 March 2000.

RESULTS

The Profit for the period, after taxation, amounted to £1.498m. The directors do not recommend a final ordinary dividend.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company was formed on 12th March 1999. Trade commenced on 1 August 1999. The company's principal activity during the period is supply of electricity to industrial and commercial customers. The company commenced trading in the Republic of Ireland in February 2000, as soon as market regulations permitted.

FUTURE DEVELOPMENTS

The company expects to see significant growth in its first full year in the Republic of Ireland, and anticipates increased competition in Northern Ireland.

DIRECTORS

The directors of the company during the period are those listed on page 2. Their respective dates of appointment were as follows:

	Date Appointed
Alan Gaston	17/01/2000
Nigel Wilson	27/07/1999

None of the directors who held office at 31 March 2000 had any beneficial interest in the shares of the company.

The directors interests at 31 March 2000 (including those of their family) in the share capital of the ultimate parent undertaking, Viridian Group PLC (including options to subscribe for shares under employee share schemes) were as follows:

Viridian Energy Supply Limited

	Ordinary Shares	Sharesave Option	Executive Share Option Scheme
Alan Gaston	2,200	3,002	24,716

During the period Alan Gaston was granted options to acquire 9,146 shares under the Viridian Group Executive Share Option Scheme. No options were exercised to acquire shares under the Viridian Group Sharesave Scheme. Details of the relevant share schemes are disclosed in the consolidated group accounts of Viridian Group PLC. Nigel Wilson, who is also an executive director of the ultimate holding company Viridian Group PLC, has interests in the shares of the parent company which are disclosed in the consolidated group accounts.

YEAR 2000 COMPLIANCE

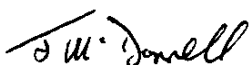
The company conducted a risk-based review of its computer systems and computer controlled processes to identify those which could be affected by the Year 2000 date change and established a dedicated project team accordingly. A plan and work programme was developed to test those systems and processes identified and to take appropriate action, such as replacing or repairing the affected systems or processes in collaboration with the respective suppliers.

Over the millenium period there was no impact on customers or critical systems from Year 2000 issues. No priority issues arose and the small number of low level issues were quickly resolved. Arrangements have been made within the company to continue vigilance over other potentially sensitive date changes during 2000.

AUDITORS

A resolution to reappoint Ernst and Young as the auditors will be put to the members at the Annual General Meeting.

By the order of the board



Secretary

19 October 2000

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 period. In preparing those accounts, 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies (Northern Ireland) Order 1986. 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.

AUDITORS' REPORT

**REPORT OF THE AUDITORS
to the shareholders of Viridian Energy Supply Limited**

We have audited the accounts on pages 7 to 14 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 to 10.

Respective responsibilities of the directors and auditors

As described on page 5 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of 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 the 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 2000 and of its profit for the period then ended and have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986.

Ernst & Young
Registered Auditor
Belfast

Ernst & Young
19 October 2000

Viridian Energy Supply Limited

PROFIT AND LOSS ACCOUNT for the period ended 31 March 2000

	Note	2000 (13 months) £'000
Turnover		44,833
Cost of sales		39,885
GROSS PROFIT		<u>4,948</u>
Administrative expenses		2,350
OPERATING PROFIT	2	<u>2,598</u>
Interest receivable and similar charges	5	(83)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>2,515</u>
Tax on profit on ordinary activities	6	(1,017)
RETAINED PROFIT FOR THE PERIOD		<u><u>1,498</u></u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no other recognised gains and losses other than the profit of the company of £1.498m for the 13 months ending 31 March 2000.

Viridian Energy Supply Limited

BALANCE SHEET at 31 March 2000

	Notes	2000 £000
FIXED ASSETS		
Tangible assets	7	2,555
		<hr/> 2,555
CURRENT ASSETS		
Debtors	8	9,753
Bank and Deposits		52
		<hr/> 9,805
CREDITORS: amounts falling due within one year	9	10,862
		<hr/>
NET CURRENT ASSETS		(1,057)
NET ASSETS		1,498
		<hr/>
CAPITAL AND RESERVES		
Called up share capital	10	-
Profit and Loss Account	11	1,498
		<hr/>
		1,498
		<hr/>

Directors

Nigel Williams

Date

19 October 2000

NOTES TO THE ACCOUNTS
at 31 March 2000

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Cash Flow Statement

The ultimate holding company of Viridian Energy Supply Limited is Viridian Group PLC. As Viridian Group PLC prepares consolidated accounts, which include the company, the company is exempt from the requirement to prepare a cash flow statement.

Fixed Assets

All fixed assets are initially recorded at cost. Cost is defined in accordance with FRS15 and consists of directly attributable costs.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation of each asset over its expected useful life, as follows:

Mobile plant and machinery 2-5 years

Depreciation on mobile plant is charged from the date of operation of plant, and is calculated on a full year in the year operational commencement.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences, including those relating to pensions, which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Deferred taxation assets are only recognised if recovery without replacement by equivalent debit balances is reasonably certain.

Pension Costs

Pension costs in respect of employees who are members of the Viridian Group Pension Scheme are assessed by qualified actuaries and are charged

NOTES TO THE ACCOUNTS
at 31 March 2000

to the profit and loss account so as to recognise the expected cost of benefits over members' working lives with the employer.

Leasing and hire purchase commitments

There are no assets held under finance leases or hire purchase contracts

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

2. OPERATING PROFIT

This is stated after charging

	2000 (13 Months) £'000
Depreciation of owned fixed assets	564
Auditor's remuneration:- Audit Services	-
Non Audit Services	-
Operating lease rentals	-
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3. DIRECTOR'S EMOLUMENTS

None of the directors were remunerated by the company during the year.

4. STAFF COSTS

	2000 (13 months) £'000
Wages and salaries	257
Social Security costs	26
Other pension costs (see note 13)	-
	<hr/>
	283
	<hr/>
Charged to the Profit and Loss account	283
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Number of employees at 31 March 2000	13
The monthly average number of employees during the period was 8.	

Viridian Energy Supply Limited

NOTES TO THE ACCOUNTS at 31 March 2000

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2000 (13 months) £'000
Interest Payable – Group loans	(83)
Net Interest Payable	(83)

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 (13 months) £'000
UK Corporation Tax Payable	(1,017)

It is considered that no provision for deferred tax is required at 31 March 2000.

7. TANGIBLE FIXED ASSETS

	Mobile Plant & Machinery £'000	Total £'000
Cost:		
At 12 March 1999	-	-
Additions	3,119	3,119
At 31 March 2000	3,119	3,119
Depreciation:		
At 12 March 1999	-	-
Provided during the year	564	564
At 31 March 2000	564	564
Net book value:		
At 31 March 2000	2,555	2,555
At 12 March 1999	-	-

Viridian Energy Supply Limited

NOTES TO THE ACCOUNTS at 31 March 2000

8. DEBTORS

	2000 £'000
Trade Debtors	5,210
Amounts owed by Group Undertakings	4,533
Other debtors	<u>10</u>
	<u>9,753</u>

9. CREDITORS: amounts falling due within one year

	2000 £'000
Payments received on account	106
Amounts owed to group undertakings	7,765
Corporation tax	779
Other taxes and social security costs	1,631
Accruals	<u>581</u>
	<u>10,862</u>

10. SHARE CAPITAL

	Authorised 2000 £'000
Ordinary shares of £1 each	<u>10</u>
	Allotted, called up and fully paid
	2000 £
2 Ordinary shares of £1 each	<u>2</u>

Viridian Energy Supply Limited

NOTES TO THE ACCOUNTS at 31 March 2000

11. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT OF RESERVES

	Share capital £000	Profit and loss account £000	Total shareholders' funds £000
At 12 March 1999	-	-	-
Proceeds from issue of shares	-	-	-
Profit for the period	-	1,498	1,498
At 31 March 2000	-	1,498	1,498

12. CONTRACTUAL COMMITMENTS

At 31 March 2000 the company had contractual commitments as set out below:

	Energy and Availability Payments £000
Due within 1 year	20,833

13. PENSIONS COMMITMENTS

The employees of the company are eligible to join the Viridian Group PLC Pension Scheme. The scheme has two sections. "Options" is a defined contribution scheme and "Focus" provides benefits based on salary at retirement or earlier exit from service. The Group pays contributions to the Scheme at the rate recommended by the Scheme's actuaries, Bacon & Woodrow, based on regular actuarial reviews of its financial position. The assets of the Scheme are held under trust and invested by the trustees on the advice of professional investment managers.

The latest actuarial valuation of the pension scheme was prepared as at 31 March 1997 in respect of which details are disclosed in the financial statements of the ultimate parent undertaking, Viridian Group PLC. The total pension cost of the company was £nil following the commencement of a contribution holiday with effect from 1 September 1997.

Viridian Energy Supply Limited

NOTES TO THE ACCOUNTS at 31 March 2000

14. RELATED PARTIES

The company has taken advantage of the exemption within FRS8 'Related Party Disclosures' from disclosing transactions with its ultimate parent undertaking, Viridian Group PLC, and its group companies. Consolidated accounts of Viridian Group PLC, which include the company, can be obtained as described in note 15.

15. PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent undertaking and controlling party of the company is Viridian Group PLC a company incorporated in Northern Ireland. Copies of the consolidated group accounts, which include the company are available from 120 Malone Road, Belfast BT9 5HT.