

ScottishPower Telecommunications Limited

**Directors' Report and Accounts
for the year ended 31 December 2008**

Registered No. SC143862



ScottishPower Telecommunications Limited

Directors' Report and Accounts for the year ended 31 December 2008

Contents

	Page
Report of the Directors	2
Accounting Policies	3
Balance Sheet	4
Notes to the Accounts	5

ScottishPower Telecommunications Limited

Report of the Directors

The directors present their report and unaudited Accounts for the year to 31 December 2008.

Activities and review

Prior to the disposal of the company's business to Thus plc on 30 September 1999, the principal activities of the company were to provide a range of telecommunications products and services. The company was not involved in trading during the year and was dormant.

In the prior period, the company changed its accounting reference date to 31 December to match that of its ultimate parent undertaking, Iberdrola S.A. Accordingly, the comparative figures presented in these Accounts are for the period from 1 April 2007 to 31 December 2007.

Directors

The directors who held office during the year were as follows:

John Heasley	(resigned 29 February 2008)
Marion Venman	
David Wark	(appointed 29 February 2008)

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws 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 these financial statements, the directors are required to:

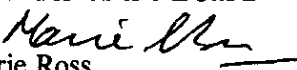
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements 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 that 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.

Auditors

The company is a dormant company within the meaning of Section 249AA(1) of the Companies Act 1985 (as amended) and is exempt from appointing auditors.

By order of the Board


Marie Ross
Secretary
27 July 2009

ScottishPower Telecommunications Limited

Accounting Policies

Basis of accounting

The Accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards in the UK and comply with the requirements of the Companies Act 1985.

Basis of preparation

The Accounts contain information about ScottishPower Telecommunications Limited as an individual company and do not contain consolidated financial information as the parent of subsidiary companies. The company is exempt under Section 228 of the Companies Act 1985 from the requirement to prepare consolidated Accounts as it and its subsidiary undertakings are included by full consolidation in the consolidated Accounts of the ultimate parent company Iberdrola S.A., a company registered in Spain.

Investments

Investments are stated in the balance sheet at cost, or nominal value of the shares issued as consideration where applicable, less provision for any impairment in value.

ScottishPower Telecommunications Limited

Balance Sheet

as at 31 December 2008

	Notes	31 December 2008 £'000	31 December 2007 £'000
Fixed Assets			
Investments	2	76,610	76,610
		76,610	76,610
Creditors: amounts falling due within one year			
Other creditors	3	(61,610)	(61,610)
Net current liabilities		(61,610)	(61,610)
Total assets less current liabilities		15,000	15,000
Net assets		15,000	15,000
Called up share capital	4	15,000	15,000
Shareholder's funds		15,000	15,000

The Accounting Policies on page 3, together with the Notes on pages 5 and 6, form part of these Accounts.

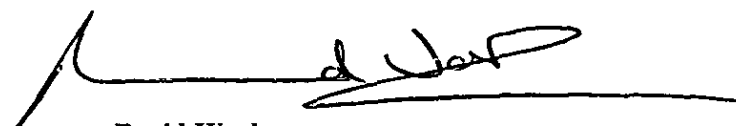
For the year ended 31 December 2008, the company was entitled to the exemption under Section 249AA(1) of the Companies Act 1985.

Members have not required the company to obtain an audit in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

- (i) ensuring the company keeps accounting records which comply with Section 221; and
- (ii) preparing accounts 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 its profit or loss for the financial year, in accordance with Section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

Approved by the Board on 27 July 2009 and signed on its behalf by



David Wark
Director

ScottishPower Telecommunications Limited

Notes to the Accounts for the year ended 31 December 2008

1 Directors' emoluments

None of the directors received any remuneration in respect of their services to the company.

2 Fixed asset investments

	Subsidiary undertakings £'000
Cost as at 31 December 2007 and 31 December 2008	76,610

Principal subsidiary undertakings	Principal activity	Holding	Country of registration
Lancastrian Holdings Limited	Holding company	100%	England
SPPT Limited	Dormant	100%	England
Demon Internet Limited	Dormant	100%	England
Watermark Games Limited	Dormant	100%	England

The directors consider that to give full particulars of all undertakings would lead to a statement of excessive length. The information above comprises all directly held undertakings and includes all undertakings whose results or financial position, in the opinion of the directors, principally affect the results or financial position of the company.

3 Other creditors

	31 December 2008 £'000	31 December 2007 £'000
Amounts falling due within one year:		
Amounts owed to parent undertaking	61,610	61,610

4 Share capital

	31 December 2008 £'000	31 December 2007 £'000
Authorised:		
15,000,000 (31 December 2007: 15,000,000) ordinary shares of £1 each	15,000	15,000
Allotted, called up and fully paid:		
15,000,000 (31 December 2007: 15,000,000) ordinary shares of £1 each	15,000	15,000

ScottishPower Telecommunications Limited

Notes to the Accounts

for the year ended 31 December 2008

5 Ultimate parent company

At 31 December 2008, the directors regarded Iberdrola S.A. as the ultimate parent company, which is also the parent company of the largest group in which the results of the company are consolidated. The parent company of the smallest group in which the results of the company are consolidated is Scottish Power UK plc. Copies of the consolidated Accounts of Iberdrola S.A. may be obtained from Iberdrola S.A., Calle Gardoqui 8, Bilbao, Spain. Copies of the consolidated accounts of Scottish Power UK plc can be obtained from The Secretary, Scottish Power UK plc, 1 Atlantic Quay, Glasgow, G2 8SP.
