

NB PROPERTY AND ESTATE SERVICES LIMITED

(Formally Norweb Property and Estate Services Limited)

Registered number 2373209

FINANCIAL STATEMENTS

For the year ended 31 March 2002



NB PROPERTY AND ESTATE SERVICES LIMITED

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For the year ended 31 March 2002

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Directors' report

For the year ended 31 March 2002

The directors have pleasure in presenting the annual report and audited financial statements of NB Property and Estates Services Limited for the year ended 31 March 2002.

The company changed its name from Norweb Property and Estate Services Limited to NB Property and Estate Services Limited on 8 March 2002.

Review of the business

The principal activity of the company is the pursuance of investment opportunities on behalf of United Utilities Electricity PLC, the company's parent undertaking.

The company owns 75% of the issued ordinary share capital of NB Gas Limited.

The company has not traded during the year or previous year. The directors have no present plans to make further investments.

Directors and their interests

The directors who served during the year were :

U.U. (C.D.) Limited

None of the directors serving at 31 March 2002 held any interest in the share capital of the company.

None of the directors serving at 31 March 2002 held any interest in the share capital of United Utilities PLC, the company's ultimate parent undertaking.

Auditor

KPMG Audit Plc has notified the company that it will not be continuing as the company's auditors. As a consequence of this casual vacancy a resolution of the directors will be proposed to appoint Deloitte & Touche as the company's auditors following the receipt of the formal notice of resignation from KPMG Audit Plc.

By order of the board



for and on behalf of U.U. (C.D.) Limited
Dawson House
Great Sankey
Warrington
WA5 3LW
31 January 2003

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FINANCIAL STATEMENTS

For the year ended 31 March 2002

Statement of directors' responsibilities

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year 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 the profit or loss for the financial year.

In preparing the financial statements, the directors are required to select appropriate accounting policies and apply them consistently, make judgements and estimates that are reasonable and prudent, and state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements. The directors are also required to prepare the financial statements on a going concern basis unless it is inappropriate to presume 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 which enable them to comply with the Companies Act 1985.

The directors have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report

to the members of NB Property and Estate Services Limited

We have audited the financial statements on pages 4 to 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 Auditing Standards issued by the Auditing Practices Board. A 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 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 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 company's state of affairs as at 31 March 2002 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
St James' Square
Manchester
31 January 2003

Profit and loss account

For the year ended 31 March 2002

As the company has not traded during the year or previous year, it has not made a profit or loss and the company has not prepared a profit and loss account. There were no other recognised gains or losses during the period.

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Balance sheet

As at 31 March 2002

	Note	2002 £	2001 £
Fixed assets - investments	2	242,307	242,307
Current assets			
Debtors	3	1,100,102	1,100,102
Creditors - amounts falling due within one year	4	(1,216,166)	(1,216,166)
Net current liabilities		<u>(116,064)</u>	<u>(116,064)</u>
Net assets		<u>126,243</u>	<u>126,243</u>
Capital and reserves			
Share capital	5	102	102
Profit and loss account		<u>126,141</u>	<u>126,141</u>
Shareholders' funds	6	126,243	126,243

The financial statements on pages 4 to 7 were approved by the board of directors on 31 January 2003 and signed on its behalf by:

Tolson

for and on behalf of U.U. (C.D.) Limited

NOTES TO THE FINANCIAL STATEMENTS
1 Accounting Policies
Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. The financial statements present information about the company as an individual undertaking and not about its group. The company has taken advantage of the exemption under section 228 of the Companies Act not to prepare group accounts, as the company is itself a wholly owned subsidiary undertaking of United Utilities Electricity PLC which is incorporated in Great Britain and registered in England and Wales and which prepares group accounts.

Investments

Investments are stated at the lower of cost, including related costs of acquisition, and directors' valuation.

Cash Flow Statement

Under Financial Reporting Standard (FRS) 1 (Revised), the company is exempt from the requirements to prepare a cash flow statement on the grounds that its parent company includes the cash flows of the company in its own published consolidated financial statements.

Related Party Transactions

The company has taken advantage of the exemption contained within FRS 8 'Related Party Transactions', and has not separately disclosed transactions and balances with other group undertakings within the United Utilities PLC group, on the basis that the company is included in those consolidated financial statements, and those financial statements are publicly available (see note 9).

2 Investments

	Proportion of issued ordinary share capital held	2002 £	2001 £
Investment in group undertaking at cost - NB Gas Limited :			
Shares (£1 ordinary shares)	75%	<u>242,307</u>	<u>242,307</u>

The trading business of NB Gas Limited was sold to TXU Europe in August 2000.

3 Debtors

	2002 £	2001 £
Called up share capital not paid	<u>102</u>	<u>102</u>
Due from parent undertaking	<u>1,100,000</u>	<u>1,100,000</u>
	<u>1,100,102</u>	<u>1,100,102</u>

Notes to the financial statements

4 Creditors : amounts falling due within one year

	2002	2001
	£	£
Loan from parent undertaking	<u>1,216,166</u>	<u>1,216,166</u>

5 Share capital

The authorised share capital consists of 5,000,000 £1 ordinary shares (2000 - 5,000,000 £1 ordinary shares).

	2002	2001
	£	£
Ordinary shares of £1 each:		
Allotted and called up (not paid)	<u>102</u>	<u>102</u>

6 Reconciliation of movements in shareholders' funds

	2002	2001
	£	£
Profit for the financial year	-	-
Opening shareholders' funds	<u>126,243</u>	<u>126,243</u>
Closing shareholders' funds	<u>126,243</u>	<u>126,243</u>

7 Directors' emoluments

None of the directors received emoluments for their services as director of the company.

8 Auditor's remuneration

The auditor's remuneration was borne by another group undertaking.

9 Ultimate parent undertaking

The directors regard United Utilities PLC as the company's ultimate parent undertaking . United Utilities PLC is also the company's ultimate controlling party as defined by FRS 8 'Related Party Transactions'.

The company is a subsidiary of United Utilities Electricity PLC, which is the smallest higher group of undertakings for which group accounts are drawn up. The results of the company are consolidated within the group accounts of United Utilities Electricity PLC, and copies of those accounts can be obtained from the address below.

The group accounts of United Utilities Electricity PLC are consolidated within the group accounts of United Utilities PLC, a company registered in England and Wales.

Copies of these accounts can be obtained from:

The Company Secretary,
United Utilities PLC,
Dawson House,
Warrington,
WA5 3LW