

YORKSHIRE WATER LIMITED

(Registered Number 3778498)

REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2002



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YORKSHIRE WATER LIMITED

REPORT OF THE DIRECTORS

The directors submit their report together with the unaudited accounts of the company for the year ended 31 March 2002.

Principal Activity

The principal activity of the company is the holding of shares in subsidiary companies.

Business Review

The company received no income and incurred no expenditure and has consequently made neither profit nor loss.

Directors

The directors who served during the year were:

H M Cressey
P J Hudson


Directors' interests are set out in note 6 to the accounts.

Auditors

The directors state as follows:

1. For the above year the company was entitled to the exemption from auditing its accounts conferred by section 249AA(1) of the Companies Act 1985.
2. Members have not required the company to obtain an audit for the above year in accordance with section 249B(2) of the Companies Act 1985.
3. The directors acknowledge their responsibilities for:
 - ensuring the company keeps accounting records to comply with section 221 of the Companies Act 1985; and
 - preparing accounts which give a true and fair view of the state of affairs of the company at the end of the year and its profit and loss for the period in accordance with the requirements of section 226 of the Companies Act 1985 and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

By Order of the Board


J.C. Downes
Secretary
1 July 2002

Registered Office:

Western House
Halifax Road
Bradford
BD6 2SZ

YORKSHIRE WATER LIMITED

BALANCE SHEET AS AT 31 MARCH 2002

| | Notes | 2002 £ | 2001 £ |
|---------------------------------------|-------|-----------|-----------|
| CURRENT ASSETS | | | |
| Investment in subsidiary undertakings | 4 | 100 | 100 |
| | | — | — |
| NET ASSETS | | 100 | 100 |
| | | == | — |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 5 | 100 | 100 |
| | | — | — |
| EQUITY SHAREHOLDERS' FUNDS | | 100 | 100 |
| | | == | == |

Approved by the Board of Directors on 1 July 2002 and signed on their behalf by:

H. M. Cressey

H M Cressey
DIRECTOR

1 July 2002

YORKSHIRE WATER LIMITED

NOTES TO THE ACCOUNTS

1 *Accounting Policies*

Basis of Accounting

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

2 *Result for the Period*

During the period, the company has not traded, has not incurred any liabilities and, consequently, has made neither profit nor loss.

3 *Directors and Employees*

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

The company had no employees during the year (2001: Nil).

4 *Investments in Subsidiary Undertakings*

| | Investments in subsidiary undertakings £ |
|-------------------------|---|
| At 31 March 2002 | 100 |
| At 31 March 2001 | 100 |

The company's subsidiary undertakings is as follows:

| | <u>Country of Registration</u> | <u>Proportion of issued equity capital held</u> |
|---------------------------------|------------------------------------|---|
| Yorkshire Water Estates Limited | England | 100% |

In the opinion of the directors the value of the company's investments is not substantially different from the amount at which they are stated in the balance sheet.

5 *Called up share capital*

| | 2002 £ | 2001 |
|--|--------------|--------------|
| Authorised | | |
| 1,000 Ordinary shares of £1 each | <u>1,000</u> | <u>1,000</u> |
| Allotted, issued and fully paid | | |
| 1 Ordinary shares of £1 each | <u>100</u> | <u>100</u> |

YORKSHIRE WATER LIMITED

NOTES TO THE ACCOUNTS (continued)

6 *Directors' Interests*

The interests of the directors holding office at 31 March 2002 in the shares of Kelda Group plc are:

| | Ordinary shares of 15 5/9p each at 31 March 2002 | Ordinary shares of 15 5/9p each at 1 April 2001 |
|-------------|--|---|
| H M Cressey | 9,087 | 10,391 |
| P J Hudson | - | - |

Options to acquire ordinary shares

| | At 1 April 2001 | Granted during year | Exercised during year | Lapsed during year | At 31 March 2002 | Exercise price (p) | Market Price at date of exercise (p) | Date options exercisable | Date options expire |
|-------------|-----------------------|---------------------------|-----------------------------|--------------------------|------------------------|-----------------------|--|--------------------------------|------------------------|
| H M Cressey | 3,239 | - | - | - | 3,239 | 299.0p | - | 01.03.2004 | 31.08.2004 |
| P J Hudson | - | 6,018 | - | - | 6,018 | 275.0p | - | 01.03.2005 | 31.08.2005 |

Long Term Incentive Plan of Kelda Group plc

Interests of the directors in the plan are:

| | At 1 April 2002 | Granted during year | At 31 March 2001 | Earliest vesting date |
|-------------|--------------------|------------------------|---------------------|--------------------------|
| H M Cressey | 2,934 | 2,934 | - | 07.06.2004 |
| P J Hudson | 7,657 | 7,657 | - | 07.06.2004 |

There are no directors interests in the share capital of Yorkshire Water Limited requiring disclosure under the Companies Act 1985.

7 *Ultimate Parent Undertaking*

The company is a wholly owned subsidiary of Kelda Group plc, which is registered in England and Wales and prepares group accounts. Copies of the accounts of Kelda Group plc may be obtained from:

The Company Secretary
Kelda Group plc
Western House
Halifax Road
Bradford BD6 2SZ