

YORKSHIRE WATER LIMITED

(Registered Number 3778498)

REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004



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 2004.

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 (resigned 29 August 2003)
P J Hudson
M A K Wood (appointed 21 October 2003)

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

By Order of the Board


J C Downes
Secretary
9 July 2004

Registered Office:

Western House
Halifax Road
Bradford
BD6 2SZ

YORKSHIRE WATER LIMITED

BALANCE SHEET AS AT 31 MARCH 2004

	Notes	2004 £	2003 £
CURRENT ASSETS			
Investment in subsidiary undertakings	4	<u>100</u>	<u>100</u>
NET ASSETS		<u>100</u>	<u>100</u>
CAPITAL RESERVES			
Called up share capital	5	<u>100</u>	<u>100</u>
EQUITY SHAREHOLDERS' FUNDS		<u>100</u>	<u>100</u>

The directors state as follows:

1. For the above year the company was entitled to the exemption from auditing its accounts conferred by section 249A(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 financial year and of 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.

Approved by the Board of Directors on 2004 and signed on their behalf by:



P J Hudson
DIRECTOR

7 July 2004

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 (2003: Nil).

4 *Investments in Subsidiary Undertakings*

	Investments in subsidiary undertakings £
At 31 March 2004	100
At 31 March 2003	100

The company's subsidiary undertakings is as follows:

	Country of Registration	Proportion of issued equity capital held
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.

YORKSHIRE WATER LIMITED

NOTES TO THE ACCOUNTS (continued)

5 Called up share capital

	2004	2003
	£	£
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
Allotted, issued and fully paid		
1 Ordinary shares of £1 each	100	100

6 Directors' Interests

The interests of the directors holding office at 31 March 2004 in the shares of Kelda Group plc are:

	Ordinary shares of 15 5/9p each at 31 March 2004	Ordinary shares of 15 5/9p each at 1 April 2003
P J Hudson	-	-
M A K Wood	-	-

Options to acquire ordinary shares

	At 1 April 2003	Granted during year	Exercised during year	Lapsed during year	At 31 March 2004	Exercise price (p)	Market Price at date of exercise (p)	Date options exercisable	Date options expire
P J Hudson	6,018	-	-	-	6,018	275.0p	-	01.03.2007	31.08.2007
MAK Wood	-	-	-	-	-	-	-	-	-

Long Term Incentive Plan of Kelda Group plc

Interests of the directors in the plan are:

	At 1 April 2003	Granted during year	Vested during year	Lapsed during year	At 31 March 2004	Earliest vesting date
P J Hudson	7,657	-	-	-	7,657	07.06.2004
	7,167	-	-	-	7,167	11.06.2005
	-	16,707	-	-	16,707	02.09.2006
MAK Wood	-	-	-	-	-	

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

YORKSHIRE WATER LIMITED

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

YORKSHIRE WATER LIMITED

**Minutes of a Board meeting held at
Western House, Halifax Road, Bradford on Friday 9 July 2004**

PRESENT: Mr P J Hudson (Chairman)
 Mr M A K Wood

IN ATTENDANCE: Mrs J C Downes (Secretary)

ANNUAL REPORT AND ACCOUNTS

It was RESOLVED that the company's accounts and the report of the directors for the year ended 31 March 2004 be approved and authority be delegated to Philip Hudson to sign the accounts on behalf of the Board.

DIVIDEND

It was RESOLVED that no final dividend be paid in respect of the year ended 31 March 2004.

CLOSE OF MEETING

The minutes of the day's directors' meeting were circulated, taken as read, and it was RESOLVED that the same be signed by the Chairman as a true record of the proceedings and to signify the closure of the meeting.

Chairman