

Kelda Group QUEST Trustees Limited

Annual Report and Financial Statements

31 March 2010

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Kelda Group QUEST Trustees Limited

Registered No 3847226

Directors

S D McFarlane

I Leece

Company secretary

R C Hill

Independent auditors

PricewaterhouseCoopers LLP

Benson House

33 Wellington Street

Leeds

LS1 4JP

Registered office

Western House

Halifax Road

Bradford

BD6 2SZ

Directors' report

The directors present their report and the audited financial statements for the year ended 31 March 2010

Principal activities and review of business developments

The principal activity of the company is to act solely as a trustee of the Kelda Group QUEST Trust. The company did not trade during the year, acting solely in its capacity as trustee. No dividend has been paid or proposed.

Future developments

The company will continue to act as trustee, with no other trade envisaged in the foreseeable future.

Principal risks and uncertainties

Due to the nature of the business, there are no material risks or uncertainties which require disclosure.

Key performance indicators

Due to the nature of the business, key performance indicators are not applicable.

Directors

The directors of the company during the year and up to the date of signing these financial statements are as listed on page 1.

Independent auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office. A resolution concerning their reappointment will be proposed at the Annual General Meeting.

Directors' statement as to disclosure of information to the auditors

As at the date of this report, as far as each director is aware, there is no relevant audit information of which the company's auditors are unaware and each director has taken such steps as he or she should have taken as a director in order to make him or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Board



R C Hill
Company secretary
30 November 2010

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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, and
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report

to the members of Kelda Group QUEST Trustees Limited

We have audited the financial statements of Kelda Group QUEST Trustees Limited for the year ended 31 March 2010 which comprise the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its result for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.


Independent auditor's report

to the members of Kelda Group QUEST Trustees Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Anna Bielby (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
30 November 2010

Balance sheet

as at 31 March 2010

Registered No: 3847226

	Notes	2010 £	2009 £
Current assets			
Debtors	5	1	1
Net assets		<u>1</u>	<u>1</u>
Capital and reserves			
Called up share capital	6	1	1
Total shareholders' funds		<u>1</u>	<u>1</u>

The financial statements on pages 6 to 8 were approved by the board of directors and were signed on its behalf by



S D McFarlane
Director
30 November 2010

Notes to the financial statements (continued)

at 31 March 2010

1. Accounting policies

Basis of accounting

The accounts of the company are prepared on a going concern basis, under the historical cost convention in compliance with all applicable accounting standards in the United Kingdom (Financial Reporting Standards 'FRS', Statement of Standard Accounting Practice 'SSAP' and Urgent Issues Task Force abstract 'UITF') and the Companies Act 2006, except where otherwise stated in the notes to the financial statements

The accounting policies have been reviewed in accordance with the requirements of FRS 18. The director considers that the accounting policies set out below remain most appropriate to the company's circumstances, have been consistently applied and are supported by reasonable and prudent estimates and judgements

2. Profit and loss account

The company has not traded during the year. Therefore, the company has made neither profits nor losses and no profit and loss account has been presented. The auditors' remuneration was borne by Kelda Group Limited, in line with prior years.

3. Director's emoluments

The directors are employees of the immediate parent company Kelda Group Limited, and received no emoluments in respect of his services to the company (2009: £nil).

4. Staff numbers

The average number of persons employed by the company during the year was nil (2009: nil).

5. Debtors

	2010	2009
	£	£
Amounts owed by parent undertaking	1	1

Amounts owed by other group companies are unsecured, interest free, have no repayment date and are repayable on demand.

6. Share capital

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	2010	2009	2010	2009
	£	£	£	£
Ordinary shares of £1 each	1,000	1,000	1	1

7. Cash flow statement

The company is a wholly owned subsidiary of Kelda Eurobond Co Limited and is included in the consolidated financial statements of Kelda Eurobond Co Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1.

Notes to the financial statements (continued)

at 31 March 2010

8. Related party transactions

The company is exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Kelda Holdings Limited group

9. Ultimate parent undertaking

The company's immediate parent company is Kelda Group Limited. The company's ultimate parent company and controlling party is Kelda Holdings Limited, a company registered in Jersey. Kelda Holdco Limited, a company registered in England and Wales, is the parent undertaking of the smallest group to consolidate these accounts. Kelda Eurobond Co Limited, a company registered in England and Wales, is the largest UK group to consolidate these accounts. Copies of the group financial statements may be obtained from the Company Secretary, Kelda Eurobond Co Limited, Western House, Halifax Road, Bradford BD6 2SZ.