

YORKSHIRE ELECTRICITY GROUP PLC

REGISTERED NUMBER 2366995

**REPORT & ACCOUNTS
TO 31 DECEMBER 2009**

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YORKSHIRE ELECTRICITY GROUP plc

REGISTERED NUMBER 2366995

REPORT AND ACCOUNTS TO 31 DECEMBER 2009

CONTENTS

Directors' Report	1
Business Review	1
Statement of Directors' Responsibilities in respect of the Accounts	3
Independent Auditors' Report to the Members of Yorkshire Electricity Group plc	4
Income Statement	5
Statement of Comprehensive Income	5
Statement of Changes in Equity	5
Balance Sheet	6
Statement of Cash Flows	7
Notes to the Accounts	8

YORKSHIRE ELECTRICITY GROUP plc

Registered Number 2366995

Registered Office Lloyds Court, 78 Grey Street, Newcastle upon Tyne, NE1 6AF

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 2009

BUSINESS REVIEW OF THE YEAR

The Company is a subsidiary of CE Electric UK Funding Company and its sole activity is to act as a holding company in respect of its investment in Yorkshire Power Finance Limited and Yorkshire Electricity Distribution plc ("YEDL"), the activity of which is to distribute electricity to customers in West Yorkshire, East Yorkshire and almost all of South Yorkshire, together with parts of North Yorkshire, Derbyshire, Nottinghamshire, Lincolnshire and Lancashire. Throughout the year, the Company maintained its investment in YEDL.

Given that the principal activity of the Company is to act as a holding company, the business of the Company is not sufficiently large or complex for analysis of key performance indicators to be appropriate as part of the operation of the Company. Details of key performance indicators used in the CE Electric UK Funding Company group of companies (the "CE Group") can be found in the CE Electric UK Funding Company directors' report.

Going concern

The Company's business activities, together with details regarding its future development, performance and position are set out in the Business Review in this report. In addition, the Group's objectives, policies and processes for managing its capital, its financial risk management objectives and its exposures to credit risk and liquidity risk are included in this report and the appropriate notes to the accounts.

When considering continuing to adopt the going concern basis in preparing the annual report and accounts, the directors have taken account of the fact that YEDL is a wholly-owned subsidiary of the Company. YEDL is a stable electricity distribution business operating an essential public service, is regulated by the Gas and Electricity Markets Authority ("GEMA") and, in carrying out its functions, GEMA has a statutory duty under the Electricity Act 1989 to have regard to the need to secure that licence holders are able to finance their activities, which are the subject of obligations under Part 1 of the Electricity Act 1989 (including the obligations imposed by the electricity distribution licence) or by the Utilities Act 2000. In addition, the Company has access to short-term borrowing facilities made available by other companies in the CE Group and the directors therefore consider that the Company has sufficient liquidity to meet its current requirements.

Consequently, after making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Financial Review

Results and dividends

The Company made a profit after tax for the year of £46.0m (2008: £42.1m). No interim dividend was paid during the year and the directors recommend that no final dividend be paid in respect of the year.

Share capital

There were no changes to the Company's share capital during the year.

Dividend policy

The Company's dividend policy is that dividends will be paid only after having due regard to available distributable reserves, available liquid funds and the financial resources and facilities needed to enable the Company to carry on its business for at least the next year.

YORKSHIRE ELECTRICITY GROUP plc

REGISTERED NUMBER 2366995

DIRECTORS' REPORT (CONTINUED)

Financial Review (continued)

Taxation

Full details of the Company's taxation charge are provided in Note 6 to the accounts

Income Statement commentary

Profit before tax at £48.2m was £5.9m higher than the previous year, mainly due to a reduction in finance costs as a result of a combination of lower borrowings in the year and a reduction in the rate of interest charged on amounts owed to Group undertakings

Net cash inflow from operating activities

The net cash inflow from operating activities at £47.3m was £1.9m higher than the previous year mainly due to an increase in net interest received

Principal risks facing the Company

The principal risk facing the Company is not having sufficient liquidity to enable the Company to meet its liabilities as they fall due. In this respect, borrowing facilities are made available to the Company by other companies in the CE Group and, during the year, the Company received dividend income from YEDL, its subsidiary company. Details of the principal risks and uncertainties facing the CE Group can be found in the CE Electric UK Funding Company directors' report

Research and development

Given that the sole purpose of the Company is to act as a holding company, the Company does not undertake research and development

Future developments

The financial position of the Company, as at the year-end, is shown in the balance sheet on page 6. There have been no significant events since the year end and it is the intention of the directors that the Company will continue to act as a holding company

DIRECTORS

The directors who served during the year and since the year end were

G E Abel	President, MidAmerican Energy Holdings Company (resigned 16 October 2009)
P E Connor	Senior Vice President and Chief Procurement Officer, MidAmerican Energy Holdings Company (resigned 16 October 2009)
T E Fielden	Finance Director, CE Electric UK (appointed 16 October 2009)
J M France	Regulation Director, CE Electric UK
P J Goodman	Senior Vice President and Chief Financial Officer, MidAmerican Energy Holdings Company
B K Hankel	Vice President and Treasurer, MidAmerican Energy Holdings Company (resigned 15 March 2010)
K Linge	Finance Director, CE Electric UK (resigned 16 October 2009)
P A Jones	President and Chief Operating Officer, CE Electric UK

Throughout the year, none of the directors was materially interested in any contract in relation to the business of the Company

AUDITORS

A resolution to reappoint Deloitte LLP, and to authorise the directors to determine their remuneration, will be proposed at the Annual General Meeting. Deloitte LLP has indicated its willingness to continue in office

DIRECTORS' REPORT (CONTINUED)

AUDIT OF THE ACCOUNTS

Each of the directors, who is a director of the Company as at the date of this report, confirms that

- a) so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- b) he has taken all the steps he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are responsible for preparing the Annual Report and the financial statements and are required to prepare financial statements for the Company in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union. Company law requires the directors to prepare such financial statements in accordance with IFRS, the Companies Act 2006 and Article 4 of the IAS Regulation

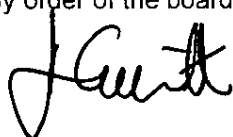
International Accounting Standard 1 requires that financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the Preparation and Presentation of Financial Statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable International Financial Reporting Standards

Directors are also required to

- Properly select and apply accounting policies,
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- Provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a directors' report which complies with the requirements of the Companies Act 2006. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

By order of the board



John Elliott
Company Secretary

16 April 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YORKSHIRE ELECTRICITY GROUP plc

We have audited the financial statements of Yorkshire Electricity Group plc for the year ended 31 December 2009 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet and the Statement of Cash Flows and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, 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 (APB's) Ethical Standards for Auditors.

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 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

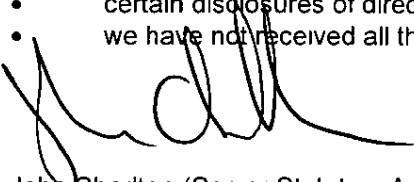
Opinion on other matter prescribed by the Companies Act 2006

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.

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.



John Charlton (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne England
16 April 2010

YORKSHIRE ELECTRICITY GROUP plc

REGISTERED NUMBER 2366995

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 £m	2008 £m
Revenue		0 4	0 4
Cost of sales		<u>(0 1)</u>	<u>-</u>
Gross profit		0 3	0 4
Administration credit		<u>-</u>	<u>0 4</u>
Operating profit		0 3	0 8
Investment income	4	52 0	52 7
Finance costs	5	<u>(4 1)</u>	<u>(11 2)</u>
Profit before tax		48 2	42 3
Income tax expense	6	<u>(2 2)</u>	<u>(0 2)</u>
Profit from ordinary activities after tax		<u>46 0</u>	<u>42 1</u>

All activities relate to continuing operations

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2009

There is no other comprehensive income for the Company for 2009 and 2008 other than the profits reported above

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2009

	Share Capital £m	Share Premium £m	Capital Redemption £m	Retained Earnings £m	Total £m
At 1 January 2008	108 6	11 1	0 1	180 1	299 9
Profit for the year	-	-	-	42 1	42 1
Dividends	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50 0)</u>	<u>(50 0)</u>
At 31 December 2008	108 6	11 1	0 1	172 2	292 0
Profit for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>46 0</u>	<u>46 0</u>
At 31 December 2009	<u>108 6</u>	<u>11 1</u>	<u>0 1</u>	<u>218 2</u>	<u>338 0</u>

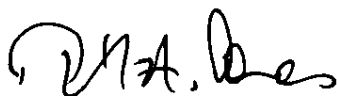
YORKSHIRE ELECTRICITY GROUP plc

REGISTERED NUMBER 2366995

BALANCE SHEET AS AT 31 DECEMBER 2009

		2009	2008
	Notes	£m	£m
Non-current assets			
Property, plant and equipment	7	0 2	0 2
Investments	8	303 3	303 3
Trade and other receivables	9	154 2	154 2
		<hr/>	<hr/>
		457 7	457 7
Current assets			
Trade and other receivables	9	1 2	1 2
Cash and cash equivalents	9	2 3	9 4
		<hr/>	<hr/>
		3 5	10 6
Total assets		<hr/>	<hr/>
		461 2	468 3
Current Liabilities			
Current income tax liabilities	10	(1 3)	-
Borrowings	11	(121 9)	(176 3)
		<hr/>	<hr/>
		(123 2)	(176 3)
Net current liabilities		<hr/>	<hr/>
		(119 7)	(165 7)
Net assets		<hr/>	<hr/>
		338 0	292 0
Equity			
Share capital	12	108 6	108 6
Share premium		11 1	11 1
Capital redemption reserve		0 1	0 1
Retained earnings		218 2	172 2
		<hr/>	<hr/>
Total equity		338 0	292 0

The financial statements were approved by the board of directors and authorised for issue on 16 April 2010 and were signed on its behalf by



P A Jones
Director

YORKSHIRE ELECTRICITY GROUP plc

REGISTERED NUMBER 2366995

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 £m	2008 £m
Net cash from operating activities	13	<u>47 3</u>	<u>45 4</u>
Investing activities			
Acquisition of Long Term Investment		-	(0 2)
Movement in loans to Group undertaking		<u>-</u>	<u>200 0</u>
Net cash from investing activities		<u>-</u>	<u>199 8</u>
Financing activities			
Movement in loans from Group undertaking		(54 4)	(191 0)
Equity dividends paid		<u>-</u>	<u>(50 0)</u>
Net cash used in financing activities		<u>(54 4)</u>	<u>(241 0)</u>
Net (decrease)/increase in cash and cash equivalents		(7 1)	4 2
Cash and cash equivalents at beginning of year		<u>9 4</u>	<u>5 2</u>
Cash and cash equivalents at end of year		<u>2 3</u>	<u>9 4</u>

NOTES TO THE ACCOUNTS - 31 DECEMBER 2009

1 GENERAL INFORMATION

Yorkshire Electricity Group plc is a company originally incorporated in England and Wales under the Companies Act 1985. The address of the registered office is Lloyds Court, 78 Grey Street, Newcastle-upon-Tyne, NE1 6AF.

The nature of the Company's operations and its principal activities are set out in the principal activity and review of the business in the Directors' Report.

2 ACCOUNTING POLICIES

Accounting convention and basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). The financial statements have also been prepared in accordance with IFRSs adopted by the European Union (the "EU") and therefore comply with Article 4 of the EU IAS Regulation and with those parts of the Companies Act 2006 (the "Act") that are applicable to companies reporting under IFRS.

The accounts have been prepared under the historical cost convention. The Company has relied upon Section 400 of the Companies Act 2006 and has presented the accounts for the Company as an individual undertaking only and not as a Group undertaking.

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further detail is contained within the Directors' Report on page 1.

Judgments in applying accounting policies and key sources of estimation uncertainty

Many of the amounts included in the financial statements involve the use of judgments and/or estimation. These judgments and estimation are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ from the amounts included in the financial statements. Information about such judgments and estimates is contained in the accounting policies and/or the notes to the financial statements.

NOTES TO THE ACCOUNTS - 31 DECEMBER 2009 (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

Adoption of new or revised standards

In the current year, the following new and revised standards have been adopted

IFRS 7	Financial Instruments Disclosure – Amendments to IFRS 7
IAS 1	Presentation of Financial Statements – Amendments to IAS 1

IAS 1 has introduced a number of changes in the format of the financial statements, including the renaming of the Statement of Recognised Income and Expenses to the Statement of Comprehensive Income. There is also a new Statement of Changes in Equity, which was previously shown as a note to the accounts.

The amendments to IFRS 7 have expanded the disclosures required in respect of the fair value measurement and liquidity risk. These amendments have had no material impact on the accounts.

At the date of authorisation of these financial statements there were a number of Standards and Interpretations in issue but not yet effective, which have therefore not yet been applied. The directors consider that the adoption of these Standards and Interpretations will not be relevant to the Company in future periods.

Revenue

Revenue, which arises wholly in the United Kingdom, relates to a minor income stream in respect of the ownership of telecommunications assets.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Property, plant and equipment

Property, plant and equipment are stated at cost. The charge for depreciation is calculated to write off assets to their residual values over their estimated useful economic lives of 10 years on a straight-line basis.

Investments

Investments are stated at cost less provision for any impairment in value.

Provisions

Provisions are recognised where there is a present obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

NOTES TO THE ACCOUNTS - 31 DECEMBER 2009 (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

Taxation

Income tax expense represents tax currently payable

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

Trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Trade payables

Trade payables are not interest bearing and are stated at their nominal value.

Debt

Borrowing costs are recognised on an accruals basis and allocated to the income statement as incurred.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial Instruments

Financial assets and financial liabilities are recognised on the balance sheet when the Company becomes a party to the contractual provisions on the instrument.

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangement entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

YORKSHIRE ELECTRICITY GROUP plc

REGISTERED NUMBER 2366995

NOTES TO THE ACCOUNTS - 31 DECEMBER 2009 (CONTINUED)

3 DIRECTORS', KEY PERSONNEL AND AUDITORS' REMUNERATION

No directors' or key personnel remuneration was charged for the year (2008 £nil) There are no directors' emoluments that are required to be disclosed under the Act (2008 £nil) There were no employees of the Company during the year (2008 nil)

Fees paid to the Company's Auditor for the audit of the Company's annual accounts of £5,000 were charged to the Company for the year (2008 £6,000)

There was no fees payable in relation to non-audit services in 2009 or 2008

4 INVESTMENT INCOME

	2009	2008
	£m	£m
Dividends received	40 0	40 0
Interest receivable on loans to Group undertakings	12 0	11 6
Other Interest	-	1 1
	<u>52 0</u>	<u>52 7</u>

5 FINANCE COSTS

	2009	2008
	£m	£m
Interest payable on loans from Group undertakings	4 1	10 8
Other interest	-	0 4
	<u>4 1</u>	<u>11 2</u>

YORKSHIRE ELECTRICITY GROUP plc

REGISTERED NUMBER 2366995

NOTES TO THE ACCOUNTS - 31 DECEMBER 2009 (CONTINUED)

6 INCOME TAX EXPENSE

	2009 £m	2008 £m
Tax expense comprises		
Current tax		
Payment for use of Group losses for the year	2 3	0 4
Over provision for prior years	<u>(0 1)</u>	<u>(0 2)</u>
	<u>2 2</u>	<u>0 2</u>
The total charge can be reconciled to the accounting profit as follows		
Profit before tax	<u>48 2</u>	<u>42 3</u>
Tax on profit before tax at standard rate of corporation tax in United Kingdom of 28% (2008 28 5%)	13 5	12 1
Dividend income	(11 2)	(11 4)
Imputed interest	-	(0 2)
Over provision for prior years	<u>(0 1)</u>	<u>(0 3)</u>
Tax expense for the year	<u>2 2</u>	<u>0 2</u>

The tax rates used are the UK corporate rate of 30% until 31 March 2008 and 28% from 1 April 2008, time apportioned for 2008

7 PROPERTY, PLANT AND EQUIPMENT

	£m
COST	
At 31 December 2008 and 31 December 2009	<u>0 3</u>
ACCUMULATED DEPRECIATION	
At 31 December 2008 and 31 December 2009	<u>0 1</u>
Net book value at 31 December 2008 and 31 December 2009	<u>0 2</u>

NOTES TO THE ACCOUNTS - 31 DECEMBER 2009 (CONTINUED)**8 INVESTMENTS**

	2009 £m	2008 £m
Share in subsidiary undertakings		
Cost and net book value	<u>303 3</u>	<u>303 3</u>

Details of the principal subsidiary undertakings, which are unlisted, incorporated in England and Wales (unless otherwise noted) and operating in the United Kingdom at 31 December 2009, are shown below

Subsidiary	Shareholding	Proportion of voting rights and shares	Nature of Business
Yorkshire Electricity Distribution plc	290,000,000 £1 shares	100%	Distribution of electricity
Yorkshire Power Finance Limited (Registered in Cayman Islands)	20 \$ 1 shares	1%	Finance Company

9 OTHER FINANCIAL ASSETS**Trade and other receivables**

	Book Value		Fair Value	
	2009 £m	2008 £m	2009 £m	2008 £m
Non current				
Amounts owed by Group undertakings	<u>154 2</u>	<u>154 2</u>	<u>160 5</u>	<u>150 6</u>
Current				
Amounts owed by Group undertakings	1 0	1 0	1 0	1 0
Other receivables	<u>0 2</u>	<u>0 2</u>	<u>0 2</u>	<u>0 2</u>
	<u>1 2</u>	<u>1 2</u>	<u>1 2</u>	<u>1 2</u>

The directors' estimate of the fair value is calculated by discounting the future cash flows at the market rate at the balance sheet date. The maximum risk exposure is the book value of these assets.

Cash and cash equivalents

	2009 £m	2008 £m
Short-term deposits	<u>2 3</u>	<u>9 4</u>

Cash and cash equivalents comprise cash balances and other short term deposits, having a maturity of less than three months and being subject to an insignificant risk of changes in value. The carrying amount of these assets approximates their fair value, calculated by discounting future cash flows at the market rate at the balance sheet date. The maximum risk exposure of these assets is their book value.

NOTES TO THE ACCOUNTS - 31 DECEMBER 2009 (CONTINUED)**10 OTHER FINANCIAL LIABILITIES****Trade and other payables**

2009	2008
£m	£m

Current income tax liabilities**Group relief**

<u>1 3</u>	<u>-</u>
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The directors consider that the carrying amount of other financial liabilities approximates their fair value calculated by discounting the future cash flows at the market rate at the balance sheet date

The undiscounted cash flows of financial liabilities, based on the earliest possible date on which the Company can be required to pay, amounted to £122.0m (2008 £176.1m) and were all due in less than 3 months from the balance sheet date. These amounts include both interest and principal cash flows

11 BORROWINGS

Book Value	
2009	2008
£m	£m

Amounts owed to Group undertakings

<u>121.9</u>	<u>176.3</u>
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The directors consider that the carrying amount of borrowings approximates their fair value calculated by discounting the future cash flows at the market rate at the balance sheet date

Interest is charged at a floating rate of interest, thus exposing the Company to cash flow interest rate risk. A 1% movement in interest rates would have an approximate effect on the financial statements of the Company of £1.2m

The loans are non-secured

The Company has no undrawn committed borrowing facilities

NOTES TO THE ACCOUNTS - 31 DECEMBER 2009 (CONTINUED)**12 SHARE CAPITAL**

	2009 £m	2008 £m
Ordinary shares of 68 2/11p each Authorised – 220,000,000	<u>150 0</u>	<u>150 0</u>
Allotted, called up and fully paid 159,270,954	<u>108 6</u>	<u>108 6</u>

The Company has one class of ordinary shares which carries no right to fixed income

13 NOTES TO THE CASH FLOW STATEMENT

	2009 £m	2008 £m
Operating profit	<u>0 3</u>	<u>0 8</u>
Operating cash flows before movements in working capital	0 3	0 8
Decrease in receivables	<u>-</u>	<u>0 5</u>
	0 3	1 3
Dividends received	40 0	40 0
Interest received	12 0	16 1
Interest paid	(4 1)	(11 4)
Group relief paid	<u>(0 9)</u>	<u>(0 6)</u>
Net cash from operating activities	<u>47 3</u>	<u>45 4</u>

YORKSHIRE ELECTRICITY GROUP plc

REGISTERED NUMBER 2366995

NOTES TO THE ACCOUNTS - 31 DECEMBER 2009 (CONTINUED)

15 RELATED PARTY TRANSACTIONS

As referenced in Note 4, during the year the Company received ordinary dividends of £40 0m (2008 £40 0m) from Yorkshire Electricity Distribution plc

The Company has advanced loans to companies in the CE Electric UK Funding Company group (the "CE Group") Interest is charged at a commercial rate of interest The total interest included in investment income in the income statement for the year ended 31 December 2009 was £12 0m (2008 £11 6m) Included within trade and other receivables is £155 2m as at 31 December 2009 (2008 £155 2m) in respect of these loans

The Company has received loans from companies in the CE Group Interest is charged at a commercial rate of interest The total interest included in finance costs in the income statement for the year ended 31 December 2009 was £14 2m (2008 £10 8m) Included within borrowings is £121 9m as at 31 December 2009 (2008 £176 3m) in respect of these loans

16 ULTIMATE HOLDING COMPANY AND CONTROLLING PARTY

The immediate parent undertaking of Yorkshire Electricity Group plc is Yorkshire Holdings plc (in members' voluntary liquidation) The ultimate controlling party and ultimate parent undertaking of Yorkshire Holdings plc is Berkshire Hathaway, Inc , a company incorporated in the United States of America

Copies of the group accounts of Berkshire Hathaway, Inc which include Yorkshire Electricity Group plc and the group accounts of CE Electric UK Funding Company, the smallest parent undertaking to prepare group accounts in the UK can both be obtained from the Company Secretary, CE Electric UK Funding Company, Lloyds Court, 78 Grey Street, Newcastle upon Tyne, NE1 6AF