



*Yorkshire Water
Services Limited*

*Directors'
Report and Accounts
1991*

Directors' Report and Accounts 1991

Contents

Directors' Report	2-3
Statutory Accounts	
Profit and Loss Account	4
Balance Sheet	5
Cash Flow Statement	6
Notes to the Accounts	7-20
Auditors' Report	21
Regulatory Accounting Information	23-25
Auditors' Report to the Director General of Water Services	26

Front Cover: Water Monitors
Scientific consultant, Maria Maw and operator, Steven Bellamy,
check water samples for pH levels at our largest water treatment
works at Elvington.

Directors' Report

The Directors have pleasure in presenting their second report. The report is for the year April 1990 to March 1991, the company's first full financial year.

Share Capital

There has been no change, during the year, to the company's share capital of £275 million in shares of £1 each fully paid, all of which is held by Yorkshire Water plc and its nominees.

Principal Activities

The principal activity of the company is the provision of drinking water and waste water management services to the region, broadly comprising North, West and South Yorkshire and North Humberside, for which the company is the water and sewerage undertaker.

Operations and Results for the Year

A second successive year of drought was managed with only temporary limited restrictions on water use. Major investment programmes on new or refurbished water and sewage plants, water mains and sewers were successfully continued. Profit on ordinary activities was £117.0 million. A first interim dividend of £20.0 million was paid to Yorkshire Water plc in October 1990 to complete the capital restructuring exercise which took place in 1989/90. A second interim dividend of £15.5 million was paid in March 1991 and a final dividend of £30.5 million is proposed corresponding to the parent company's 1990/91 interim and final dividends respectively. An amount of £51.0 million is available to be added to reserves.

Directors

The Directors, all of whom (with the exception of Mr. Newton, who was appointed on

1 October 1990) served throughout the year, were Sir Gordon Jones, Mr. A. I. Watel, Mr. M. C. Barry, Mr. J. Newton, Dr. A. J. Shanthworth, Mr. J. M. Taylor and Mr. C. A. Turley. Mr. J. R. Layfield was appointed a Director on 1 April 1991. Mr. M. C. Barry resigned as a Director on 20 May 1991.

Directors' and Officers' Liability Insurance

During the year, Directors' and Officers' liability insurance was arranged on behalf of the company Directors and certain specified managers. A premium of £22,000 for twelve months to October 1991 was paid by Yorkshire Water plc on behalf of the Group.

Research and Development

The company has continued to conduct or commission substantial programmes of research and development in order to improve the quality and efficiency of its operations. During the year expenditure amounted to £2.5 million.

Fixed Assets

The Directors are aware that the value of certain land and buildings in the balance sheet is not representative of the market value of these assets. However, a substantial proportion of land and buildings comprises specialised operational properties and structures, for which there is no ready market and it is not, therefore, practicable to provide a full valuation.

Movements in fixed assets are shown in Note 7 to the Accounts and include transfers to YW Enterprises Limited, which have all been made on the basis of independent external valuations obtained specifically for the purpose and approved by the Office of Water Services.

Capital and Infrastructure

Renewals Expenditure

Expenditure during the year amounted to £250.2 million.

Employees

The company seeks to be an equal opportunity employer, to provide encouragement and facilities for disabled men and women to enter or continue in its employment, to set and achieve high standards in its health and safety policies and to promote and secure quality objectives throughout its operations.

Employees participate in the Executive and Sharesave Option Schemes and the Profit Sharing Scheme operated by Yorkshire Water plc.

Contributions

The company made no contributions during the year to political or charitable causes.

Status

The company is not a close company within the meaning of the Income and Corporation Taxes Act 1988.

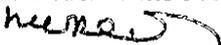
Instrument of Appointment

Condition F of the company's Instrument of Appointment as a water and sewerage undertaker requires the company to publish accounting information in a prescribed format in addition to that required for the statutory accounts. This additional information on an historic cost basis is included on pages 23 to 26. Certain information is also made available on a current cost basis and copies of these statements can be obtained in September 1991, free of charge, by writing to the Customer Services Manager, West Riding House, 67 Albion Street, Leeds LS1 5AA.

Auditors

The Waterhouse have expressed their willingness to be reappointed as auditors of the company. A resolution will be proposed at the Annual General Meeting to reappoint them.

By Order of the Board


Martin W. Plimley

Company Secretary

21 May 1991



Profit and Loss Account

		YEARS ENDED 31 MARCH	
	Notes	1991 £m	1990 £m
Turnover		384.8	353.9
Operating costs	2	<u>(276.8)</u>	<u>(258.2)</u>
Operating profit		108.0	95.7
Interest	3	<u>9.0</u>	<u>(35.8)</u>
Profit on ordinary activities before taxation		117.0	59.9
Taxation on profit on ordinary activities	4	<u>-</u>	<u>-</u>
Profit on ordinary activities after taxation		117.0	59.9
Dividends - first interim	5	(20.0)	(200.0)
- second interim	5	(15.5)	-
- final	5	<u>(30.5)</u>	<u>-</u>
Retained profit (loss) for the financial year		<u>51.0</u>	<u>(140.1)</u>

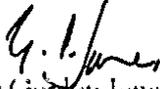
The movement on reserves is shown in Note 20

Balance Sheet



				AT 31 MARCH	
	Notes	1991 £m	1990 £m		
Fixed assets					
Tangible assets	7	1,208.8	1,031.8		
Investments	8	0.6	0.6		
		<u>1,209.4</u>	<u>1,032.4</u>		
Current assets					
Stocks	9	4.3	3.5		
Debtors	10	137.5	121.4		
		<u>141.8</u>	<u>124.9</u>		
Creditors: amounts falling due within one year					
Short term borrowings	11	(13.9)	(16.0)		
Other creditors	14	(126.5)	(75.6)		
		<u>(140.4)</u>	<u>(91.6)</u>		
Net current assets		<u>1.4</u>	<u>33.3</u>		
Total assets less current liabilities		1,210.8	1,065.7		
Creditors: amounts falling due after more than one year					
Long term borrowings	12	(85.7)	(42.7)		
Other creditors	14	(24.3)	(8.4)		
Provisions for liabilities and charges	15	(64.7)	(29.5)		
		<u>1,036.1</u>	<u>985.1</u>		
Capital and reserves					
Called up share capital	19	275.0	275.0		
Profit and loss account	20	761.1	710.1		
		<u>1,036.1</u>	<u>985.1</u>		

Approved by the Board
21 May 1991


Sir Gordon Jones
Chairman



Cash Flow Statement

	YEARS ENDED 31 MARCH	
	1991 £m	1992 £m
Operating activities		
Profit before taxation	117.0	59.9
Items not involving cash movement:		
Depreciation	39.4	35.7
Provision for infrastructure renewals expenditure	35.2	29.5
Other	(1.5)	(0.5)
Reduction (increase) in working capital	4.0	(89.4)
Cash flow generated from operating activities	<u>194.1</u>	<u>35.2</u>
Investing activities		
Capital expenditure	(221.2)	(160.6)
Acquisition of investments	—	(0.3)
Capital grants and contributions	19.9	9.1
Proceeds from sale of tangible assets	1.8	3.9
Cash outflow from investing activities	<u>(199.5)</u>	<u>(147.9)</u>
Financing activities		
Capital restructuring	—	833.7
Increase (reduction) in long term borrowings	43.0	(397.1)
Dividends paid	(35.5)	(200.0)
Cash flow from financing activities	<u>7.5</u>	<u>236.6</u>
Net increase in cash and cash equivalents	<u>2.1</u>	<u>123.9</u>
Cash and cash equivalents at 1 April	<u>(16.0)</u>	<u>(139.9)</u>
Cash and cash equivalents at 31 March	<u>(13.9)</u>	<u>(16.0)</u>
Represented by:		
Short term borrowings	<u>(13.9)</u>	<u>(16.0)</u>



Notes to the Accounts

1. Accounting policies

The following paragraphs summarise the more important accounting policies applied in the preparation of the accounts.

Accounting convention

These accounts have been prepared under the historical cost convention.

Comparative figures

Certain comparative figures for 1990 have been adjusted to reflect the analysis required for regulation purposes under the latest guidelines issued by The Director General of Water Services.

Turnover

Turnover comprises charges to customers for water, sewerage and other services, excluding value added tax.

Foreign currencies

All transactions denominated in foreign currencies are translated into sterling at the actual rates of exchange ruling at the dates of the transactions.

Research and development expenditure

Research and development expenditure is written off in the profit and loss account in the year in which it is incurred.

Infrastructure assets

Infrastructure assets (being mains and sewers, impounding and pumped raw water storage reservoirs, dams and sea outfalls) comprise a network of systems. Expenditure on infrastructure assets relating to increases in capacity or enhancements of the network is treated as additions which are included at cost.

Expenditure on maintaining the operating capability of the network in accordance with defined standards of service is charged as an operating cost.

The charge for infrastructure renewals expenditure takes account of planned expenditure on maintaining the operating capability of infrastructure assets in accordance with the operational policies and standards underlying the Asset Management Plan which Yorkshire Water Services Limited is required to prepare under its Instrument of Appointment. Investment priorities and other operational considerations may result in uneven patterns of infrastructure renewals expenditure. Consequently, charges to the profit and loss account may be adjusted by way of accruals or deferrals, as appropriate, to take account of any significant fluctuations in actual or planned expenditure. Until such accruals are fully utilised, an



Notes to the Accounts

additional charge to the profit and loss account is made each year to maintain the value of the unexpended balance brought forward from the previous year.

Other tangible assets

Other tangible assets are included at cost less accumulated depreciation.

Depreciation

Depreciation is charged, where appropriate, on the original cost of assets on a straight-line basis over the estimated economic lives of the assets.

Freehold land is not depreciated.

No depreciation is charged on infrastructure assets because the network of systems is required to be maintained in perpetuity and therefore has no finite economic life.

Depreciation is charged from the date of commissioning of assets and the principal economic lives used are:

Buildings	30 – 60 years
Fixed plant	20 – 40 years
Vehicles, mobile plant and computers	4 – 10 years

Grants and contributions

Grants and contributions received after 1 April 1990 in respect of tangible assets, other than infrastructure assets, are deferred and credited to the profit and loss account by instalments over the expected useful lives of the related assets.

Grants and contributions received after 1 April 1990 in respect of expenditure enhancing the infrastructure network are applied in reducing that expenditure. This treatment is adopted because infrastructure assets, as described in the policy above, are not depreciated.

Grants and contributions received in respect of expenditure charged to the profit and loss account during the year are included in the profit and loss account.

Leased assets

Assets which are financed by leasing agreements that transfer substantially all the risks and rewards of ownership to the company are capitalised and depreciated over the shorter of their estimated useful lives and the term of the lease. The liability to the leasing company is included within borrowings. All other leases are operating leases and the rentals are charged to the profit and loss account. An adjustment has been made to the 1990 balance sheet comparatives transferring obligations under finance leases from creditors to the appropriate borrowings heading. This treatment recognises the increasing importance of leasing to the company's financing requirements.



Notes to the Accounts

3. Interest

	1991 £m	1990 £m
Interest payable on:		
Bank and other loans wholly repayable within five years	(0.6)	(11.9)
Bank and other loans not wholly repayable within five years	(5.5)	(1.1)
Inter-company loans	(0.5)	(25.9)
Finance charges in respect of finance leases	(0.5)	-
Other	(0.2)	(0.2)
	<u>(7.3)</u>	<u>(39.1)</u>
Interest receivable:		
Inter-company loans	16.1	2.7
Other	0.2	0.6
	<u>9.0</u>	<u>(35.8)</u>

4. Taxation

No corporation tax arises in respect of the profit for the year due to the excess of capital allowances over depreciation.

The full potential deferred tax liability on timing differences, calculated using the liability method, at a tax rate of 33% is:

	1991 £m
Accelerated capital allowances	(98)
Losses	34
Short term timing differences	21
	<u>(43)</u>



5. Dividends

	1991	1990
	£m	£m
First interim dividend (paid October 1990)	20.0	200.0
Second interim dividend (paid March 1991)	15.5	-
Proposed final dividend	30.5	-
	<u>66.0</u>	<u>200.0</u>

6. Directors and employees

	1991	1990
	£000	£000
Directors' emoluments (including pension contributions)	289	236
Emoluments of the Chairman (excluding pension contributions)	-	-
Emoluments of the highest paid director (excluding pension contributions)	70	54

The directors earned emoluments (excluding pension contributions) which fall within the following bands:

£		1991	1990
		Number	Number
0	5,000	3	4
45,001	50,000	-	2
50,001	55,000	-	2
55,001	60,000	2	-
65,001	70,000	2	-

Sir Gordon Jones (Chairman), Mr. T. Newton and Mr. A. I. Ward are employees of the parent company, Yorkshire Water plc and their emoluments are shown in the accounts of that company.

The average number of persons employed by the company during the year was 4,074 (1990: 4,052).

An interest free car loan of £6,186 was made to Mr. J. M. Taylor (director) in 1990 and is being repaid by equal monthly instalments. The balance outstanding at the year end was £2,062 (1990: £5,155).



Notes to the Accounts

7. *Tangible assets*

Cost

At 1 April 1990

Additions

Transfers on commissioning

Grants and contributions

Disposals

At 31 March 1991

Depreciation

At 1 April 1990

Disposals

Depreciation for the year

At 31 March 1991

Net book amount at 31 March 1991

Net book amount at 31 March 1990

At 31 March 1991 assets included above held under finance leases amounted to:

Cost

Depreciation

Net book amount at 31 March 1991

Net book amount at 31 March 1990

Land and buildings comprised:

Freehold properties

Properties held on long lease

Properties held on short lease

The costs of assets transferred to the former Authority on 1 April 1974 are included in land and buildings. Grants and contributions received relating to infrastructure assets have been deducted from the cost of fixed assets in order to show a true and fair view. As a consequence, the net book amount of fixed assets is £4.5 million lower than it would have been had this treatment not been adopted.



Land and buildings £m	Infrastructure assets £m	Plant and equipment £m	Under construction £m	Total £m
450.5	375.7	208.2	219.9	1,254.3
4.5	12.2	6.4	198.1	221.2
24.4	32.0	27.5	(83.9)	-
-	(4.5)	-	-	(4.5)
(0.3)	-	(4.9)	(6.5)	(11.7)
<u>479.1</u>	<u>415.4</u>	<u>237.2</u>	<u>327.6</u>	<u>1,459.3</u>

152.6	-	69.9	-	222.5
(0.3)	-	(4.6)	(6.5)	(11.4)
12.7	-	20.2	6.5	39.4
<u>165.0</u>	<u>-</u>	<u>85.5</u>	<u>-</u>	<u>250.5</u>
<u>314.1</u>	<u>415.4</u>	<u>151.7</u>	<u>327.6</u>	<u>1,208.8</u>
<u>207.9</u>	<u>375.7</u>	<u>138.3</u>	<u>219.9</u>	<u>1,031.8</u>

3.2	20.6	23.8
0.9	-	0.9
<u>2.3</u>	<u>20.6</u>	<u>22.9</u>
0.6	0.3	0.9

Cost at 31 March 1991 £m	Cumulative depreciation at 31 March 1991 £m	Net book amount at 31 March 1991 £m	Net book amount at 31 March 1990 £m
477.5	164.7	312.8	296.5
1.3	0.2	1.1	1.1
0.3	0.1	0.2	0.3
<u>479.1</u>	<u>165.0</u>	<u>314.1</u>	<u>297.9</u>



Notes to the Accounts

8. Investments

	Interests in associated undertakings £m	Other unlisted investments £m	Total £m
At 1 April 1990	0.4	0.2	0.6
Additions	—	—	—
Disposals	—	—	—
At 31 March 1991	0.4	0.2	0.6

All investments are unlisted.

Associated Undertakings

Investments in associated undertakings all of which are registered in England and operate in the United Kingdom, include:

	Principal activity	Shares in issue	Proportion of issued equity capital held
Corrocoat Services Limited	Engineering	75,000 'A' 25,000 'B'	Nil 100%
Express Technology Limited	Engineering	40,000 'A' 110,000 'B'	Nil 100%

Other unlisted investments

The company owns 14% of the issued share capital of Water Pension Fund Holdings Limited a company which is incorporated and operates in the UK providing administrative and like services to water company and other pension funds. The company also holds £26,583 of convertible unsecured loan stock and £26,583 of 'B' ordinary shares in Water Research Centre (1989) Plc which conducts research on behalf of the water industry.



9. Stocks

	1991	1990
	£m	£m
Raw materials and consumables	3.8	3.7
Work in progress	0.5	0.3
	<u>4.3</u>	<u>4.0</u>

10. Debtors

	1991	1990
	£m	£m
Receivable within one year:		
trade debtors	18.8	15.2
amounts owed by group undertakings	8.6	4.0
amounts owed by parent company	75.0	73.6
prepayments and accrued income	24.6	22.2
other debtors	9.4	5.5
Receivable after more than one year:		
other debtors	1.1	0.9
	<u>137.5</u>	<u>121.4</u>

11. Short term borrowings

	1991	1990
	£m	£m
Repayable within one year or on demand:		
bank loans and overdrafts	13.1	15.7
other short term loans	0.1	0.1
finance leases	0.7	0.2
	<u>13.9</u>	<u>16.0</u>



Notes to the Accounts

12. Long term borrowings

	1991 £m	1990 £m
Maturities		
Repayable between one and five years:		
finance leases	1.5	0.5
Repayable by instalments and maturing after five years		
bank loans	62.5	41.0
other loans	1.0	1.1
finance leases	20.6	-
Wholly repayable after five years:		
bank loans	0.1	0.1
	<u>85.7</u>	<u>42.7</u>

13. Aggregate borrowings and cash

	Bank loans and overdrafts £m	Other loans £m	Finance leases £m	Total £m
Repayments				
Within one year or on demand	13.1	0.1	0.7	13.9
Between one and two years	-	0.1	0.7	0.8
Between two and five years	2.4	0.3	0.8	3.5
After five years	60.2	0.6	20.6	81.4
	<u>75.7</u>	<u>1.1</u>	<u>22.8</u>	<u>99.6</u>
Cash and short term deposits				<u>-</u>
				<u>99.6</u>

Borrowings, any part of which is repayable after five years, have been negotiated at fixed and variable interest rates which at 31 March 1991 ranged between 7% and 12.1%.

Security against the revenues of Yorkshire Water Services Limited has been given on £0.1 million (1990: £0.1 million) of the above borrowings.



Notes to the Accounts

16. Commitments

	1991 £m	1990 £m
Capital and infrastructure renewals expenditure commitments at 31 March were:		
Contracts placed	136.8	119.5
Authorised but not contracted for	157.1	97.2
	<u>293.9</u>	<u>217.0</u>

In addition Yorkshire Water Services Limited has a long term Asset Management Plan which includes substantial capital and infrastructure renewals expenditure to meet shortfalls in performance and condition.

At 31 March 1991 the company was committed to making the following payments during the next financial year under non-cancellable operating leases with terms as set out below:

	Land and buildings 1991 £m	Other 1991 £m	Land and buildings 1990 £m	Other 1990 £m
Leases which expire:				
Within one year	—	0.1	—	—
Between one and five years		0.6		0.4
After five years	0.7	—	0.3	—
	<u>0.7</u>	<u>0.7</u>	<u>0.3</u>	<u>0.4</u>

17. Contingent liabilities

Under a Revolving Credit Facility Agreement arranged by Yorkshire Water plc, Yorkshire Water Services Limited has issued guarantees in respect of all liabilities of its parent company. As at 31 March 1991 no amounts had been borrowed under this agreement.

The banking arrangements of the company operate on a pooled basis with other group companies and the bank balances of each subsidiary can be offset against each other.



18. Pensions

The parent company operates two defined benefit final pay schemes, the Water Mirror Image Pension Scheme (WMIS) and the Water Pension Scheme (WPS).

The employer's contributions and the pension cost under the accounting standard SSAP 24 have been assessed in accordance with the advice of the group's actuaries William M. Mercer Fraser Limited, using the projected unit method for the WPS and the attained age method for the WMIS. For this purpose the main actuarial assumption used is that there will be investment growth 2% greater than the rise in pay levels. Full allowance is also made for increases to pensions and deferred pensions under each scheme.

The first actuarial valuation of the two schemes was carried out as at 31 March 1990 and details of the results of this valuation can be found in the accounts of the parent company.

Both the WPS and WMIS comply with the anticipated requirements of the Social Security Act 1990 with regard to pension increases. Some changes may be required in the schemes to comply with the ruling of the European Court of Justice in May 1990 concerning equality for men and women. However, these are unlikely to involve significant costs provided appropriate related changes are made to the contracting out requirements of the state arrangements.

19. Called up share capital

	Authorised £	Allotted and fully paid £
At 1 April 1990 and 31 March 1991		
Ordinary shares of £1 each	<u>275,000,000</u>	<u>275,000,000</u>

20. Reserves

	£m
Profit and loss account	
At 1 April 1990	710.1
Transfer from profit and loss account	51.0
At 31 March 1991	<u>761.1</u>



Notes to the Accounts

21. Directors' interests

The interests of the directors and their immediate families in the ordinary shares of Yorkshire Water plc are set out below:

	At 31 March 1991		At 1 April 1990	
	Shares	Options	Shares	Options
M C Pary	1,361	32,333	1,271	32,333
A J Shuttleworth	1,876	30,365	1,786	30,365
J M Taylor	2,385	32,978	2,295	32,978
C A Tunley	3,627	29,497	3,386	29,497

Sir Gordon Jones, Mr. T. Newton and Mr. A. I. Ward are directors of Yorkshire Water plc. Their interests in the ordinary shares of Yorkshire Water plc are disclosed in the accounts of that company.

There has been no change in the interests shown above between 31 March 1991 and 21 May 1991.

In common with other individual shareholders, directors and their families may be entitled to a Customer Share Bonus, up to a maximum of 300 bonus shares, of one bonus share for every ten shares held in Yorkshire Water plc for two years from flotation.

Holdings of ordinary shares include beneficial interests in shares made available to qualifying employees under special arrangements at the time of flotation and shares under the Employee Profit Sharing Scheme.

The Executive Share Option Scheme and Sharesave Scheme are described in the accounts of the parent company, Yorkshire Water plc.

At no time during the year has any director had a material interest in a contract with any company in the group, being a contract which was significant in relation to the business of that company.

22. Ultimate holding company

Yorkshire Water plc, which is incorporated in Great Britain, is the company's ultimate parent company and is the parent undertaking of the largest group to consolidate these accounts. Copies of the group accounts may be obtained from The Company Secretary, Yorkshire Water plc, 2 The Embankment, Sovereign Street, Leeds LS1 4BG.



Auditors' Report



To the members of Yorkshire Water Services Limited

We have audited the accounts on pages 4 to 20 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31 March 1991 and of its profit and cash flow for the financial year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse
Chartered Accountants
Leeds

21 May 1991



Explanatory Note

Pages 23 to 25 include the historical cost regulatory accounting information required to be published under the company's Instrument of Appointment as a water and sewerage undertaker and the Regulatory Accounting Guidelines issued by the Director General of Water Services.

Current cost accounting information required to be published is not included within this document but can be obtained in September 1991, free of charge, by writing to The Customer Services Manager, West Riding House, 67 Albion Street, Leeds LS1 5AA.



Regulatory Accounting Information

1. Accounting policies

The accounting policies set out on pages 7 to 9 apply to the regulatory information.

2. Statement of profit and loss, balance sheet and cash flow

The Regulatory Accounting Guidelines permit the publication of the profit and loss account, balance sheet and cash flow statement for the total business only if all material Non-Appointed activities take place in associated companies. Accordingly no distinction between the Appointee and the Appointed Business is made in these financial statements.

The relevant statements for the Appointee are shown on pages 4 to 6 of the statutory accounts.

3. Ring fencing

In the opinion of the Directors, the company was in compliance with paragraph 3.1 of Condition K of the Instrument of Appointment at the end of the financial year.

Regulatory Accounting Information



4. Analysis of turnover, operating costs and profit by principal service

Turnover

Unmeasured charges
Measured charges
Trade Effluent charges
Grants
Other

Operating costs

Manpower costs
Other costs of employment
Power
Rates
Service charge
Local authority sewerage agencies
Materials and consumables
Hired and contracted services
Charges for bad and doubtful debts
Depreciation and amortisation
Infrastructure renewals expenditure
Infrastructure renewals accrual
Charges from associated companies
Other operating costs
Other operating income

Operating Profit



Water Supply £m	Sewerage £m	Sewage treatment & disposal £m	Sewerage services £m	YEARS ENDED 31 MARCH	
				1991 Total £m	1990 Total £m
125.2			124.8	250.0	228.6
60.6			44.2	104.8	95.4
.			18.4	18.4	16.8
0.1			-	0.1	0.1
10.3			1.2	11.5	13.0
196.2			188.6	384.8	353.9
38.7	3.8	22.0	25.8	64.5	59.1
3.8	0.2	2.2	2.4	6.2	4.3
11.9	0.3	5.5	5.8	17.7	17.0
17.3	-	0.4	6.4	23.7	23.9
3.6	-	-	-	3.6	3.3
-	8.4	-	8.4	8.4	8.1
11.0	0.5	5.2	5.7	16.7	15.3
8.8	1.1	5.4	6.5	15.3	15.0
1.9	1.5	0.1	1.6	3.5	1.8
20.6	5.5	13.0	18.5	39.1	35.7
16.8	8.3	1.1	9.4	26.2	26.3
19.2	16.0	-	16.0	35.2	29.5
8.5	0.1	7.6	7.7	16.2	12.9
1.5	0.2	1.0	1.2	2.7	7.3
(1.4)	-	(0.8)	(0.8)	(2.2)	(1.3)
162.2	45.9	68.7	114.6	276.8	258.2
34.0			74.0	108.0	95.7

Auditors' Report



To the Director General of Water Services

We have audited the financial statements on pages 4 to 20 and 23 to 25 in accordance with Auditing Standards.

In our opinion, the financial statements contain the historical cost information for the year to 31 March 1991 required to be published and submitted to you by Yorkshire Water Services Limited to comply with Condition F of the Instrument of Appointment by the Secretary of State for the Environment of the Company as a water and sewerage undertaker under the Water Act 1989.

In respect of this information, we report that in our opinion:

- (a) Proper accounting records have been kept by the Appointee as required by paragraph 3 of Condition F of the Instrument.
- (b) The information is in agreement with the Appointee's accounting records, complies with the requirements of Condition F of the Instrument and has been properly prepared in accordance with the contents of Regulatory Accounting Guidelines issued in March 1991 by the Office of Water Services.
- (c) The financial statements on pages 4 to 20 and 23 to 25 give, under the historical cost convention, a true and fair view of the revenues, costs, assets and liabilities of the Appointee and its Appointed Business.

John Walhouse

Price Waterhouse
Chartered Accountants
Leeds

21 May 1991