

STOKES CASTINGS LIMITED

DIRECTORS' REPORT AND ACCOUNTS

for the year ended 31 March 2001

Registered No 316572



STOKES CASTINGS LIMITED

REPORT OF THE DIRECTORS

The Directors present their report together with the unaudited accounts of the Company for the year to 31 March 2001.

Activities

The Company has not traded during the year.

Directors

The directors of the company at 31st March 2001, were:

S. D. Skelton
A. Maguire

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

No Director held any interest, beneficial or otherwise, in the shares of the Company during the year. The Directors' interests in ordinary shares of Thames Water Plc appearing on the Register at beginning of the year are shown below. There were no interests in shares according to the Register in respect of the end of the financial year.

Ordinary Shares in Thames Water PLC

| | 1 April 2000 or date of appointment | | Movement of Options During the Year | | <u>Exercised</u> |
|-------------|--|----------------|--|------------------|------------------|
| | <u>Shares</u> | <u>Options</u> | <u>Granted</u> | <u>Cancelled</u> | |
| S D Skelton | 6,078 | 6,829 | 1,016 | 3,445 | 4,400 |
| A Maguire | - | 2,846 | NIL | NIL | 2,846 |

Long Term Incentive Scheme

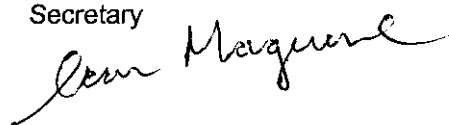
Note all LTIPs vested during the year when there was a change of control of the Company

| <u>S D Skelton</u> | No of Shares | Award date | Normal vesting date | Balance 31/3/01 |
|----------------------------|--------------|------------|---------------------|-----------------|
| Cash/Share bonus plan, | 429 | 11.8.98 | 11.8.2001 | Nil |
| Long Term restricted plan, | 966 | 4.8.99 | 31.3.2003 | Nil |
| Long Term restricted plan, | 1,250 | 20.6.00 | 31.3.2004 | Nil |

No director has a material interest in any contract entered into by the company subsisting during the period.

By Order of the Board

A Maguire
Secretary



Winchester, Hampshire
5th July 2001

STOKES CASTINGS LIMITED

BALANCE SHEET

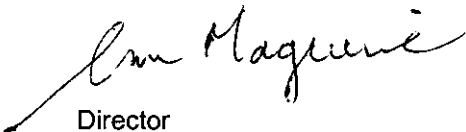
AS AT 31 MARCH 2001

| <u>NOTE</u> | <u>2001</u> £ | <u>2000</u> £ |
|--|-----------------------|-----------------------|
| <u>CAPITAL EMPLOYED</u> | | |
| <u>SHARE CAPITAL</u> | | |
| Authorised: 3,000 ordinary shares of £1 each | | |
| Issued and fully paid 1,879 ordinary shares of £1 each | <u>1,879</u> | <u>1,879</u> |
| <u>EMPLOYMENT OF CAPITAL</u> | | |
| Debtors | <u>1,879</u> ===== | <u>1,879</u> ===== |

Notes

1. There were no significant accounting transactions of the company required to be entered into its accounting records.
2. The holding company is Thames Water Plc, incorporated in England The intermediate holding company is Underpressure Engineering Plc. Copies of the parents' consolidated financial statements may be obtained by writing to Thames Water Plc, Company's Secretary Office, Blake House (RBHG), Manor Farm Road, Reading, Berks, RG2 0JN.
3. The Company was dormant (within the meaning of Section 252 of the Companies Act 1985) throughout the accounting period ending at the date of this balance sheet.

Approved by the Directors at a meeting on 5th July 2001


Director