

MUCKLOW HILL (TWO) LIMITED

Annual report

for the year ended 31 December 2002

Registered no: 2642859



MUCKLOW HILL (TWO) LIMITED

**Annual report
for the year ended 31 December 2002**

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MUCKLOW HILL (TWO) LIMITED

1

Directors report for the year ended 31 December 2002

The directors' present their report and the financial statements for the year ended 31 December 2002.

Review of business

During the year the company has not traded, has not incurred any liabilities and consequently has incurred neither profit nor loss.

Directors and their interests

The directors who served during the year were:

I Elcock

No director had any beneficial interest in the share capital of the company during the year ended 31 December 2002.

By order of the Board



J S TURNER

Secretary

17 January 2003

MUCKLOW HILL (TWO) LIMITED

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Balance sheet at 31 December 2002

	Notes	2002	2001
Current assets			
Debtors	3	<u>£2</u>	<u>£2</u>
Capital and reserves			
Called-up share capital	4	<u>£2</u>	<u>£2</u>

In accordance with subsection (1) of section 249A of the Companies Act 1985 (the Act) the Company is exempt from the need to appoint auditors. No notice from the members requiring an audit has been deposited under section 249B in relation to the Company's financial statements for the year ended 31 December 2002.

The Directors are responsible for ensuring that the Company keeps accounting records in accordance with section 221 of the Act and for preparing financial statements that give a true and fair view and which otherwise comply with the requirements of the Act.

The financial statements on pages 2 to 4 were approved by the Board of Directors on 17 January 2003 and were signed on its behalf by:



I ELCOCK
Director

**Notes to the financial statements
for the year ended 31 December 2002****1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom.

The financial statements have been prepared under the historical cost convention.

Related party transactions

As permitted by paragraph 3(c) of Financial Reporting Standard No 8, the company has taken advantage of the exemption for 90% subsidiaries not to disclose related party transactions with group entities.

2 Turnover and profit on ordinary activities before taxation

During the year the company has not traded, has not incurred any liabilities and consequently has made neither profit nor loss.

None of the directors received any remuneration in respect of their services to the company during the year.

3 Debtors

	2002	2001
Amounts falling due within one year:		
Amounts due from group undertakings	<u>£2</u>	<u>£2</u>

4 Share capital

	2002	2001
Authorised		
1000 ordinary shares of £1 each	<u>£1,000</u>	<u>£1,000</u>
Allotted, called up and unpaid		
2 ordinary shares of £1 each	<u>£2</u>	<u>£2</u>

5 Reconciliation of shareholders' funds

	2002	2001
Opening and closing shareholders' funds	<u>£2</u>	<u>£2</u>

6 Ultimate holding company

At 31 December 2002 the Company's intermediate holding company was Aquila Sterling Limited. Copies of the intermediate holding company's consolidated financial statements may be obtained from The Secretary, Aquila Sterling Limited, Whittington Hall, Whittington, Worcester, WR5 2RB.

The Directors regard Aquila, Inc. and FirstEnergy Corp. both incorporated in the USA, as the ultimate holding companies and controlling parties by virtue that each has a 50% voting interest in Aquila Sterling Limited. Copies of Aquila, Inc.'s consolidated financial statements may be obtained from The Secretary, Aquila, Inc., 20 West Ninth Street, Kansas City, Missouri 64105, USA and copies of FirstEnergy Corp's consolidated financial statements may be obtained from The Secretary, FirstEnergy Corp., 76 South Main Street, Akron, Ohio 44308, USA.