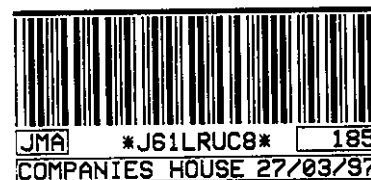


**NORWEB PROPERTY AND ESTATE SERVICES LIMITED**

Registered number 2373209

**FINANCIAL STATEMENTS**

For the year ended 31 March 1996



## ***NORWEB PROPERTY AND ESTATE SERVICES LIMITED***

### **FINANCIAL STATEMENTS**

For the year ended 31 March 1996

### **CONTENTS**

- 1 Directors' report
- 2 Directors' Responsibilities
- 3 Auditors' report
- 4 Balance sheet
- 5-6 Notes to the financial statements

## NORWEB PROPERTY AND ESTATE SERVICES LIMITED

### DIRECTORS' REPORT

For the year ended 31 March 1996

The directors have pleasure in presenting the annual report and audited financial statements of Norweb Property and Estates Services Limited for the year ended 31 March 1996.

#### Review of the business

The principal activity of the company is the pursuance of investment opportunities on behalf of NORWEB plc, the company's parent undertaking. The company currently holds shares in two companies:

Norweb Gas Limited which operates in the part of the gas supply market that is open to competition. During the year, turnover reduced to £17m, and Norweb Gas Limited incurred a loss of £0.2m.

Keadby Developments Limited which owns land at a site adjacent to a power station being constructed by a related company. During the year, Keadby Developments Limited incurred a loss of £52,000.

The directors have no present plans to make further investments.

The company has not traded during the year and consequently no profit and loss account has been prepared.

#### Directors and their interests

The directors who served during the year were :

M G Faulkner	(resigned 22 April 1996)
J R Tetlow	(appointed 28 January 1997)
P N Applewhite	(appointed 28 January 1997)
P J Rothwell	(resigned 28 January 1997)
B J Wilson	(resigned 13 November 1995)

None of the directors serving at 31 March 1996 held any interest in the share capital of the company.

The directors' interests at 31 March 1996 in the share capital of United Utilities PLC, the company's ultimate parent undertaking (1995 NORWEB plc), were as follows :

	1996		1995	
	United Utilities PLC Ordinary shares	Share options	NORWEB plc Ordinary shares	Share options
M G Faulkner	5,775	2,796	12,612	23,984
P J Rothwell	4,105	2,796	840	31,235

#### Auditors

From 7 May 1996, KPMG were appointed auditors of the Company by written resolution, replacing Price Waterhouse who had held office since July 1995.

By order of the board

J R Tetlow  
Secretary

PO Box 14  
410 Birchwood Boulevard  
Birchwood  
Warrington  
WA3 7GA

17<sup>th</sup> March 1997

#### **DIRECTORS' RESPONSIBILITIES**

##### **In respect of the preparation of the financial statements**

The following statement, which should be read in conjunction with the statement of auditors' responsibilities included in the report of the auditors on page 3, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the financial statements.

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit and loss for the financial year.

In preparing the financial statements, the directors are required to select appropriate accounting policies and apply them consistently, make judgements and estimates that are reasonable and prudent, and state whether all applicable accounting standards have been followed. The directors are also required to use a going concern basis in preparing the financial statements unless this is inappropriate.

The directors have a responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to comply with the Companies Act 1985.

The directors have a general responsibility at law for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect other irregularities.

AUDITORS' REPORT  
TO THE MEMBERS OF NORWEB PROPERTY AND ESTATE SERVICES LIMITED

We have audited the financial statements on pages 4 to 6.

*Respective responsibilities of directors and auditors*

As described under 'Directors' Responsibilities' on page 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements, and to report our opinion to you.

*Basis of opinion*

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

*Opinion*

In our opinion, the financial statements give a true and fair view of the company's state of affairs as at 31 March 1996 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG  
Chartered Accountants  
Registered Auditors

St James' Square  
Manchester  
M2 6DS

27 March 1997

# **NORWEB PROPERTY AND ESTATE SERVICES LIMITED**

## **BALANCE SHEET** As at 31 March 1996

	Note	1996 £	1995 £
<b>Fixed assets</b>			
Investments	2	1,191,841	1,191,841
		<u>1,191,841</u>	<u>1,191,841</u>
<b>Current Assets</b>			
Debtors	3	102	102
		<u>102</u>	<u>102</u>
Creditors: amounts falling due within one year	4	(1,216,166)	(1,216,166)
<b>Net current liabilities</b>		<u>(1,216,064)</u>	<u>(1,216,064)</u>
<b>Net liabilities</b>		<u>(24,223)</u>	<u>(24,223)</u>
		<u>£</u>	<u>£</u>
<b>Capital and reserves</b>			
Share capital	5	102	102
Profit and loss account		(24,325)	(24,325)
		<u></u>	<u></u>
<b>Equity shareholders' funds</b>		<u>(24,223)</u>	<u>(24,223)</u>

The financial statements on pages 4 to 6 were approved by the board of directors on <sup>17</sup> March 1997 and signed on its behalf by:

  
J R Tetlow

Director

## NORWEB PROPERTY AND ESTATE SERVICES LIMITED

Notes to the financial statements  
For the year ended 31 March 1996

### 1 ACCOUNTING POLICIES

#### Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. Group accounts have not been prepared as the company is itself a wholly owned subsidiary undertaking of NORWEB plc, which is incorporated in Great Britain and registered in England and Wales and which prepares group accounts. NORWEB plc has confirmed that the company will continue to be supported and, on the strength of this assurance, the accounts have been prepared on a going concern basis.

#### Investments

Investments are stated at cost including related costs of acquisition.

### 2 INVESTMENTS

	proportion of issued share capital held	1996 £	1995 £
Shares at cost:			
Norweb Gas Limited	75%	242,307	242,307
Keadby Developments Limited	50%	949,534	949,534
		<u>1,191,841</u>	<u>1,191,841</u>

The shares are all £1 ordinary shares.

The directors are of the opinion that the aggregate value of the investments is at least equal to the value at which they appear above.

The share of the net assets of Keadby Developments Limited attributable to the company's shareholding is £796,500. Keadby Developments Limited made a loss of £52,000 in the year ended 31 March 1996.

### 3 DEBTORS

	1996 £	1995 £
Share capital not paid	<u>102</u>	<u>102</u>

### 4 CREDITORS

Amounts falling due within one year:

	1996 £	1995 £
Loan from parent undertaking	<u>1,216,166</u>	<u>1,216,166</u>

### 5 SHARE CAPITAL

The authorised share capital consists of 5,000,000 £1 ordinary shares (1995 5,000,000 £1 ordinary shares).

	1996 £	1995 £
Ordinary shares of £1 each:		
Issued	<u>102</u>	<u>102</u>

## **NORWEB PROPERTY AND ESTATE SERVICES LIMITED**

Notes to the financial statements  
For the year ended 31 March 1996

### **6 PARENT UNDERTAKING**

The Company is a subsidiary of NORWEB plc, which is the smallest higher group of undertakings for which group accounts are drawn up. The results of the Company are consolidated within the Group accounts of NORWEB plc, and copies of those accounts can be obtained from Companies House.

On 8 November 1995, NORWEB plc was acquired by North West Water Group PLC, which, following the acquisition changed its name to United Utilities PLC, which the directors regard as the ultimate parent undertaking.

The Group accounts of NORWEB plc are consolidated within the Group accounts of United Utilities PLC, a company registered in England and Wales.

Copies of these accounts can be obtained from:

The Company Secretary  
United Utilities PLC  
Birchwood Boulevard  
Birchwood Point Business Park  
Birchwood  
Warrington  
WA3 7WB

Page 6