

**United Utilities Operations Limited**

**(Formerly United Utilities Defence Partners  
Limited)**

**Directors' report and financial  
statements**

**31 March 2003**

Registered number 3528783



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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2003.

### Principal activities

The company has not traded and has been dormant throughout the period.

### Business review

The company did not trade during the period and consequently no profit and loss account has been prepared.

### Change of name

The company changed its name to United Utilities Operations Limited on 26<sup>th</sup> March 2004.

### Directors and their interests

The Directors of the company during the year ended 31 March 2003 are set out below:

M J Edwards

B R Thorp

G A I Waters

None of the directors held any interest in the share capital of the company.

G A I Waters is a director of United Utilities PLC. His interests in shares in bodies corporate within the United Utilities Group are disclosed within those accounts.

The other directors of the Company at 31 March 2003 had the following beneficial interests in the shares of United Utilities PLC at the current and previous year end:

	Ordinary shares		Executive Option Scheme		Employee Sharesave Scheme	
	2003	2002	2003	2002	2003	2002
M J Edwards	-	-	24,198	24,198	2,811	1,909
B R Thorp	2,070	1,454	20,207	19,102	2,117	1,670

Details of the employee sharesave scheme and the executive share option scheme operated by United Utilities PLC are given in the Directors' Report in that company's accounts.

### Directors' and officers' liability

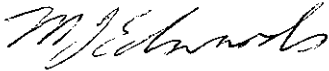
During the year a directors' and officers' liability insurance was in force.

### Auditors

During the year, KPMG Audit PLC resigned as the company's auditors. The directors used their powers under the Companies Act 1985 to appoint Deloitte & Touche as the company's auditors to fill the casual vacancy created by KPMG Audit PLC's resignation.

On 1 August 2003, Deloitte & Touche transferred their business to Deloitte & Touche LLP, a Limited Liability Partnership incorporated under the Limited Liability Partnerships Act 2000. The company consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of Section 26(5) of the Companies Act 1989.

By order of the board



**M J Edwards**  
*Director*

Dawson House  
Great Sankey  
Warrington,  
WA5 3LW

## **Statement of directors' responsibilities**

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **Independent auditors' report to the members of United Utilities Operations Limited**

We have audited the financial statements of United Utilities Operations Limited for the year ended 31 March 2003 which comprise the balance sheet, the profit and loss account and the related notes 1 to 6. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements

### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 which 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 state of the company's affairs as at 31 March 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche LLP*

Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
Manchester

*20 July 2004*

## Profit and Loss Account

The company had no income during the year and all expenses in relation to the transactions undertaken were borne by another group company. Therefore there is neither a profit or loss to report and no statement of total recognised gains or losses has been prepared.

## Balance Sheet

*At 31 March 2003*

	<i>Note</i>	<b>2003</b> £	<b>2002</b> £
<b>Current assets</b>			
Debtors	3	2	2
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	4	2	2
Profit and loss account	5	-	-
		<hr/>	<hr/>
<b>Equity shareholders' funds</b>		2	2
		<hr/>	<hr/>

The notes on pages 6 to 7 form part of these financial statements.

These financial statements were approved by the board of directors on 16<sup>th</sup> July 2004 and were signed on its behalf by:



**M J Edwards**  
*Director*

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost accounting rules.

#### *Cash flow statement*

No cashflow statement has been prepared as the accounts of the ultimate parent company, United Utilities PLC, include a consolidated cashflow statement prepared in accordance with Financial Reporting Standard Number 1.

#### *Related party transactions*

The company is exempt from the requirement of Financial Reporting Standard 8 to disclose related party transactions with other group companies where more than 90% of their voting rights are controlled within the group.

### 2 Directors

During the year the Directors received no emoluments as directors of the company (2002: £NIL)

### 3 Debtors

	2003	2002
	£	£
Amounts owed by parent and fellow subsidiary undertakings	2	2

### 4 Called up share capital

	2003	2002
	£	£
<i>Authorised</i>		
100 Ordinary shares of £1 each	100	100
<i>Allotted, called up and fully paid</i>		
2 Ordinary shares of £1 each	2	2

### 5 Profit and loss account

	2003
	£
At beginning and end of the year	-



## **6 Ultimate parent company**

The ultimate parent company is United Utilities PLC which is registered in England and Wales.

The smallest and largest group in which the results of the company are consolidated is that headed by United Utilities PLC. The consolidated accounts of this group are available to the public and may be obtained from the Company Secretary, Dawson House, Great Sankey, Warrington WA5 3LW.