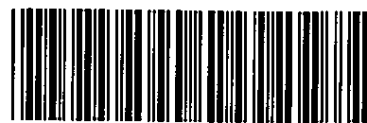


# **UK Talks Limited**

## **Report and financial statements for the year ended 31 March 2009**

Company number 3931190

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# **UK Talks Limited**

## **Report and Financial Statements for the ended 31 March 2009**

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## **UK Talks Limited**

### **Company information**

<b>Company number</b>	3931190
<b>Directors</b>	R C McPheely K A A Porritt P M Senior
<b>Secretary</b>	K A A Porritt
<b>Registered office</b>	2297 Coventry Road Birmingham B26 3PU
<b>Bankers</b>	Lloyds TSB Bank Plc 125 Colmore Row Birmingham B3 2DT
<b>Solicitors</b>	Herbert Smith LLP Exchange House Primrose Street London EC2A 2HS
<b>Auditors</b>	Deloitte LLP Chartered Accountants Four Brindleyplace Birmingham B1 2HZ

## **UK Talks Limited**

### **Directors' Report**

The directors present their report and the audited financial statements of the company for the year ended 31 March 2009.

### **Business review and principal activities**

The company has not traded during the year under review.

The company is a wholly owned subsidiary of Severn Trent Plc.

Until 1 July 2004, the company provided telephony services. On 1 July 2004, the operation of the company was transferred to its parent undertaking, Severn Trent Retail and Utility Services Limited. Since that date the company has not traded.

There have not been any significant changes in the company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year and are of the opinion that the company will continue in existence for the foreseeable future.

Severn Trent Plc manages its operations on a divisional basis and the company's directors do not believe that further key performance indicators for the company are necessary to enhance the understanding of the development, performance or position of the business.

### **Treasury management**

The Severn Trent group manages its treasury operations on a group basis. Financial risk management is performed by Severn Trent's Group Treasury department. This includes assessment and mitigation of price risk, credit risk, liquidity risk and interest rate cash flow risk. The group's treasury management policies and operations are discussed in Severn Trent Plc's Annual Report and Accounts (which does not form part of this report).

### **Environment**

The Severn Trent group recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused by its activities. The company operates in accordance with the group policies of Severn Trent Plc which are described in the group's Annual Report and Accounts (which does not form part of this report).

## **UK Talks Limited**

### **Directors' Report (continued)**

#### **Results and dividends**

The company's result for the period of £nil is disclosed in the profit and loss account on page 8. The company's net assets of £nil is disclosed in the balance sheet on page 9. The directors have considered the company's performance for the period and financial position in their going concern assessment within this report.

The directors do not recommend the payment of a dividend (2008: nil)

#### **Directors**

The directors who served during the year are shown on page 2.

No emoluments were paid by the company in respect of the services of the directors to the company.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with the applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UK Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **UK Talks Limited**

### **Directors' Report (continued)**

#### **Going concern**

The directors have considered the financial position and future prospects of the company. The directors believe that the company has access to sufficient resources to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts

#### **Directors' indemnities**

The company's Articles of Association provide that directors of the company shall be indemnified by the company against any costs incurred by them in carrying out their duties including defending any proceedings arising out of their positions as directors in which they are acquitted or judgment is given in their favour or relief from any liability is granted to them by the court.

#### **Auditors and disclosure of information to auditors**

In the case of each of the persons who are directors of the company at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware; and
- each of the directors has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Relevant audit information means information needed by the company's auditors in connection with preparing their report.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte LLP has indicated its willingness to continue as auditors.

By order of the board



R C McPheely  
Director  
6 July 2009

## **Independent auditors' report to the members' of UK Talks Limited**

We have audited the financial statements of UK Talks Limited for the year ended 31 March 2009 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes 1 to 8. 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**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

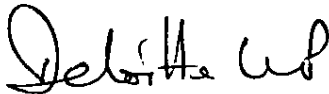
## Independent auditors' report to the members' of UK Talks Limited (Continued)

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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



**Deloitte LLP**

Chartered Accountants and Registered Auditors  
Birmingham,  
United Kingdom  
7 July 2009



## UK Talks Limited

### Profit and loss account

For the year ended 31 March 2009

	Notes	2009 £'000	2008 £'000
<b>Profit on ordinary activities before taxation</b>		-	-
Taxation on profit on ordinary activities	4	-	-
<b>Profit for the financial year</b>	<b>6</b>	-	-

All results arise from discontinued activities in both the current and the preceding years.

The company has no recognised gains or losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented.

Movements in shareholder's funds are disclosed in note 6.

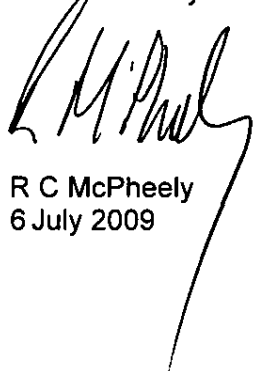
# UK Talks Limited

## Balance Sheet

At 31 March 2009

	Notes	2009 £'000	2008 £'000
<b>Net assets</b>		-	-
<b>Capital and reserves</b>			
Called-up share capital	5	55.6	55.6
Share premium account	6	2,257.1	2,257.1
Equity reserve	6	242.4	242.4
Profit and loss account	6	(2,555.1)	(2,555.1)
<b>Total shareholders' funds</b>	6	-	-

The financial statements were approved by the board of directors and authorised for issue on 6 July 2009. They were signed on its behalf by:



Director

R C McPheely  
6 July 2009

# UK Talks Limited

## Notes to the financial statements for the year ended 31 March 2009

### 1. Accounting policies

#### a) Accounting convention

The financial statements have been prepared on the going concern basis under the historical cost convention, and in accordance with applicable United Kingdom Accounting Standards and comply with the requirement of the United Kingdom Companies Act 1985 ('the Act'). The principal accounting policies are set out below.

#### b) Basis of preparation

The company has taken advantage of the exemption of FRS 1 'Cash flow statements' and not presented a cash flow statement.

#### c) Current and deferred taxation

Current taxation is provided at amounts expected to be paid (or recovered) using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in respect of timing differences between the treatment of certain items for taxation and accounting purposes only to the extent that the company has an obligation to pay more tax in the future or a right to pay less tax in the future. Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax laws enacted or substantively enacted by the balance sheet date.

### 2. Operating costs

The audit fee of £1,000 has been paid by the parent undertaking on behalf of the company (2008 : £1,500).

There were no fees payable to the auditors of the company other than those disclosed above.

The average number of employees during the year was nil (2008: nil).

### 3. Directors' remuneration

	2009 £'000	2008 £'000
Aggregate directors' emoluments during the year excluding pension contributions	-	-

The emoluments of K A A Porritt, R C McPheely and P M Senior are paid by the ultimate parent company as their services to UK Talks Limited are incidental to their services provided to other group companies. Accordingly, no emoluments have been disclosed in these financial statements in respect of the directors.

**Notes to the financial statements (continued)  
for the year ended 31 March 2009**

**4. Tax on profit on ordinary activities**

The company has not traded in either the current or prior financial year . Accordingly no tax charge/(credit) is recognised.

**5. Share capital**

	2009 £'000	2008 £'000
<b>Authorised</b>		
100,000 (2008: 100,000) ordinary shares of £1 each	100	100
<b>Allotted called up and fully paid</b>		
55,560 (2008: 55,560) ordinary shares of £1 each	55.6	55.6

**6. Reserves**

	Share premium account £'000	Equity reserve £'000	Profit and loss account £'000	Total £'000
Profit for the year			-	-
At 1 April 2008	2,257.1	242.4	(2,555.1)	(55.6)
<b>At 31 March 2009</b>	<b>2,257.1</b>	<b>242.4</b>	<b>(2,555.1)</b>	<b>(55.6)</b>

**7. Related party transactions**

In accordance with the exemption allowed by paragraph 3(c) of Financial Reporting Standard 8, no disclosure is made of transactions with other member companies of the Severn Trent Plc group.

**Notes to the financial statements (continued)  
for the year ended 31 March 2009**

**8. Ultimate parent undertaking**

The immediate parent undertaking is Severn Trent Retail and Utility Services Limited.

The ultimate parent undertaking and controlling party is Severn Trent Plc, which is the parent undertaking and controlling party of the smallest and largest group to consolidate these financial statements. Copies of the Severn Trent Plc consolidated financial statements can be obtained from the Company Secretary at 2297 Coventry Road, Birmingham, B26 3PU.