

United Utilities Operational Services (Transport) Limited

Report and Financial Statements

31 March 2010

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Registered No 4398653

Directors, advisers and other information

Directors

A Prescott

IC Washer

Secretary

UU Secretariat Limited

Auditors

Deloitte LLP

2 Hardman Street

Manchester

M3 3HF

Registered office

Haweswater House

Lingley Mere Business Park

Lingley Green Avenue

Great Sankey

Warrington

WA5 3LP

Directors' report

The directors present their report and the audited financial statements for the year ended 31 March 2010

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. Accordingly, no enhanced business review has been prepared

Principal activities, events after the reporting period and going concern status

The principal activity of the company was that of the provision of transport services to United Utilities Operational Services Limited. Trading was principally conducted through United Utilities Operational Services Limited and revenue and costs were passed through to the company. The directors consider the financial position at the year end to be satisfactory. Dwr Cymru Welsh Water (DCWW) terminated the contract with United Utilities Operational Services Limited with effect from 1 April 2010 and consequently the company's trade transferred to DCWW with the operations of United Utilities Operational Services Limited.

As a result of the termination of the company's operations, it has ceased to trade and hence, as required by FRS 18 'Accounting Policies' is required to prepare its financial statements on the basis that it is no longer a going concern (see note 1). The impact of the cessation of trade is described above. There are no material adjustments arising in the financial statements as a result of not preparing the accounts on a going concern basis.

Results and dividends

The company recorded a profit for the year of £566,000 (2009 £636,000). The directors do not recommend the payment of an ordinary dividend (2009 no dividends proposed).

Directors

The directors who held office during the year and to date are given below

MF Bradbury	(resigned 20 May 2009, appointed 3 June 2009, resigned 23 June 2009)
KR Dewhurst	(resigned 20 May 2009)
A Prescott	(appointed 3 June 2009)
W Shaw	(appointed 15 May 2009, resigned 31 March 2010)
IC Washer	(appointed 31 March 2010)

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

Disclosure of information to the auditors

Each of the persons who is a director at the date of approval of this report confirms that

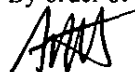
- 1 so far as he or she is aware, there is no relevant audit information of which the company's auditors are unaware, and
- 2 he or she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that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

This confirmation is given, and should be interpreted, in accordance with the provisions of s418 of the Companies Act 2006.

Auditors

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

By order of the board



A Prescott
Director

16 December 2010

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing their report and the financial statements in accordance with 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 (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting estimates that are reasonable and prudent, and
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

Independent auditors' report

to the members of United Utilities Operational Services (Transport) Limited

We have audited the financial statements of United Utilities Operational Services (Transport) Limited for the year ended 31 March 2010 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 9. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Emphasis of matter – Financial statements prepared other than on a going concern basis

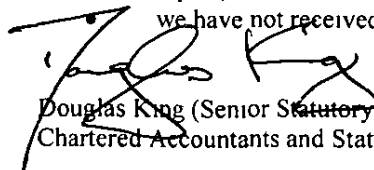
In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime or take advantage of the small companies exemption in preparing the directors' report, or

we have not received all the information and explanations we require for our audit.


Douglas King (Senior Statutory Auditor) for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors, Manchester

16th December 2010

Profit and loss account

For the year ended 31 March 2010

	Note	2010 £000	2009 £000
Turnover		10,708	10,635
Cost of sales		(9,922)	(9,751)
Profit on ordinary activities before taxation	2	786	884
Tax on profit on ordinary activities	3	(220)	(248)
Profit for the financial year	7	566	636

All of the results shown above relate to discontinued operations within the United Kingdom (see note 1)

The company had no recognised gains or losses, in either year, other than those contained in the profit and loss account. Accordingly, a separate statement of total recognised gains and losses has not been prepared.

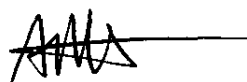
Balance sheet

At 31 March 2010

	Note	2010 £000	2009 £000
Current assets			
Debtors	4	2,858	2,072
Creditors: amounts falling due within one year	5	(1,545)	(1,325)
Net current assets and net assets		<u>1,313</u>	<u>747</u>
Capital and reserves			
Called up share capital	6	-	-
Profit and loss account	7	1,313	747
Shareholders' funds		<u>1,313</u>	<u>747</u>

The accounts are prepared in accordance with the special provisions of the Companies Act 2006 relating to small entities

The financial statements of United Utilities Operational Services (Transport) Limited, registered number 4398653, were approved by the board of directors on 16 December 2010 and were signed on its behalf by



A Prescott
Director

Notes to the financial statements

At 31 March 2010

1. Accounting policies

Basis of accounting

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

As a result of the termination of the company's operations, it has ceased to trade and hence, as required by FRS 18 'Accounting Policies' is required to prepare its financial statements on the basis that it is no longer a going concern. There are no material adjustments arising in the financial statements as a result of not preparing the accounts on a going concern basis

Cash flow statement

At 31 March 2010, the company was a wholly owned subsidiary of United Utilities Water Operations Holdings Limited and was included in the consolidated financial statements of United Utilities Group PLC, which are publicly available and which include a consolidated cash flow statement. Consequently the company is exempt under the terms of Financial Reporting Standard 1 (revised) 'Cash flow statements' from publishing a cash flow statement

Related party transactions

The company has taken advantage of the exemption contained in Financial Reporting Standard 8 'Related party transactions' not to disclose transactions or balances with entities which form part of the group

During the year no transactions were entered into with related parties other than with other group companies in the normal course of business

Taxation

Current taxation being UK corporation tax, is based on the taxable profit for the period and is provided at amounts expected to be paid or recovered using tax rates and laws that have been enacted or substantively enacted at the balance sheet date

Taxable profit differs from the net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of services to United Utilities Operational Services Limited

The company recognises revenue at the time of delivery, when collection of the resulting debt is reasonably assured. Should management consider that the criteria for revenue recognition are not met for a transaction, revenue recognition would be delayed until such time as the transaction becomes fully earned

2. Profit on ordinary activities before taxation

During the year the company has had no employees (2009 nil). Employee costs are included within the cost recharge from United Utilities Operational Services Limited

The directors' emoluments are borne by other group companies and are not recharged (2009 same). This is because a fair apportionment is not possible as services are provided to multiple entities

The auditors' remuneration for the statutory audit of the company was borne by another group undertaking in the current year. The amount recharged to United Utilities Operational Services (Transport) Limited was £2,000 (2009 £2,000). There were no non-audit services provided to the company in either year

Notes to the financial statements

At 31 March 2010

3. Tax on profit on ordinary activities

	2010 £000	2009 £000
Profit on ordinary activities before taxation	786	884
Group relief payable at 28%	220	248

4. Debtors

	2010 £000	2009 £000
Amounts owed by other group undertakings	2,858	2,072

5. Creditors : amounts falling due within one year

	2010 £000	2009 £000
Amounts owed to other group undertakings		
Group relief payable	468	248
Other	1,077	1,077
	1,545	1,325

6. Called up share capital

	2010 £	2009 £
Authorised		
1,000 ordinary shares of £1 00 each	1,000	1,000
Allotted, called up and fully paid		
1 ordinary share of £1 00 each	1	1

Notes to the financial statements (continued)

At 31 March 2010

7. Reserves

	Profit and loss account £000
At 1 April 2009	747
Profit for the financial year	566
At 31 March 2010	<u>1,313</u>

8. Ultimate parent undertaking

The company's immediate parent undertaking is United Utilities Water Operations Holdings Limited, a company incorporated in Great Britain

In the directors' opinion, the company's ultimate parent undertaking and controlling party is United Utilities Group PLC, a company incorporated in Great Britain

The smallest 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, United Utilities PLC, Haweswater House, Lingley Mere Business Park, Lingley Green Avenue, Great Sankey, Warrington, WA5 3LP

The largest group in which the results of the company are consolidated is that headed by United Utilities Group PLC. The consolidated accounts of this group are available to the public and may be obtained from The Company Secretary, United Utilities Group PLC, Haweswater House, Lingley Mere Business Park, Lingley Green Avenue, Great Sankey, Warrington, WA5 3LP

9. Events after the reporting period

The principal activity of the company was that of the provision of transport services to United Utilities Operational Services Limited. Trading was principally conducted through United Utilities Operational Services Limited and revenue and costs were passed through to the company. Dwr Cymru Welsh Water (DCWW) terminated their contract with United Utilities Operational Services Limited with effect from 1 April 2010 and consequently the company's trade with United Utilities Operational Services Limited transferred to DCWW with the operations of United Utilities Operational Services Limited

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