

Company Registration No. 6680258 (England and Wales)

PEEL WATER NETWORKS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

**THIS COPY OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS HAS
BEEN PREPARED SOLELY FOR THE PURPOSES OF REGULATORY REPORTING
TO OFWAT AND IS UNAUDITED**

PEEL WATER NETWORKS LIMITED

COMPANY INFORMATION

Directors

John Whittaker
Paul Wainscott A.C.I.S.
Steven Underwood A.C.A.
Neil Lees A.C.I.S.
David Glover

Secretary

Neil Lees A.C.I.S.

Company number

6680258

Registered office

Peel Dome
The Trafford Centre
Manchester
M17 8PL

Auditors

Deloitte LLP
Chartered Accountants and Statutory Auditors
Manchester
United Kingdom

Bankers

The Royal Bank of Scotland plc

PEEL WATER NETWORKS LIMITED

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PEEL WATER NETWORKS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2010

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

This directors' report has been prepared in accordance with the special provision relating to small companies under section 419 of the Companies Act 2006. Accordingly, no Enhanced Business Review has been prepared.

Principal activities and review of the business

The company commenced trading in the year and owns and operates the water and sewage network at Media City as a licensed Water and Sewerage Undertaker.

[The Directors have received confirmation that Peel Holdings Land and Property (UK) Limited ("Peel"), the company's holding company, will continue to provide the necessary level of support to enable it to continue to operate for the foreseeable future. In considering the ability of Peel to provide any necessary support in the context of the uncertainties it faces as a result of the current economic climate, the Directors have obtained an understanding of Peel's forecasts, the continuing availability of its facilities and its strategic and contingent plans. Additional details surrounding these uncertainties and mitigating actions can be found in the accounts for Peel Holdings Land and Property (UK) Limited.]

Taking all these factors into account the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore they continue to adopt the going concern basis in preparing the annual report and accounts.

Results and dividends

The results for the year are set out on page 3.

The directors have not declared a dividend for the year (2009: £nil).

Directors

Except where stated, the following directors have held office since 1 April 2009:

John Whittaker

Paul Wainscott A.C.I.S.

Steven Underwood A.C.A.

Neil Lees A.C.I.S.

David Glover

Andrew Simpson

(Resigned 9 October 2009)

Auditors

Deloitte LLP were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

PEEL WATER NETWORKS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 to 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.


Statement of disclosure to auditors

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

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves 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.



On behalf of the board

NEIL LEES

13/7/10

PEEL WATER NETWORKS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	Year ended 31 March 2010 £	222 day period ended 31 March 2009 £
Turnover	2	24,876	-
Administrative expenses		(60,744)	-
Operating loss	3	(35,868)	-
Interest payable and similar charges	4	(1,646)	-
Loss on ordinary activities before taxation		(37,514)	-
Tax on loss on ordinary activities	5	10,504	-
Loss for the year	11,12	(27,010)	-

All of the above results derive from continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account. Accordingly, a separate statement of total recognised gains and losses has not been prepared.

PEEL WATER NETWORKS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2010

	Notes	2010		2009	
		£	£	£	£
Fixed assets					
Tangible assets	6		38,825		-
Current assets					
Debtors	7	36,216		1	
Cash at bank and in hand		7,350		-	
		<u>43,566</u>		<u>1</u>	
Creditors: amounts falling due within one year	8	(107,226)		-	
Net current (liabilities)/assets			(63,660)		1
Total assets less current liabilities			<u>(24,835)</u>		<u>1</u>
Provisions for liabilities	9		(2,174)		-
Net (liabilities)/assets			<u>(27,009)</u>		<u>1</u>
Capital and reserves					
Called up share capital	10		1		1
Profit and loss account	11		(27,010)		-
Shareholders' funds	12		<u>(27,009)</u>		<u>1</u>

The financial statements of Peel Water Networks Limited, registered number 6680258, were approved by the board of directors and authorised for issue on 13th July 2010

Neil

Director

NEIL LEES

13/7/2010

PEEL WATER NETWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

[The Directors have received confirmation that Peel Holdings Land and Property (UK) Limited ("Peel"), the company's holding company, will continue to provide the necessary level of support to enable it to continue to operate for the foreseeable future. In considering the ability of Peel to provide any necessary support in the context of the uncertainties it faces as a result of the current economic climate, the Directors have obtained an understanding of Peel's forecasts, the continuing availability of its facilities and its strategic and contingent plans. Additional details surrounding these uncertainties and mitigating actions can be found in the accounts for Peel Holdings Land and Property (UK) Limited.]

Taking all these factors into account the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore they continue to adopt the going concern basis in preparing the annual report and accounts.

As permitted by Financial Reporting Standard No. 1 (revised) "Cash Flow Statements", the company has not prepared a cash flow statement as the company is a wholly owned subsidiary undertaking of Peel Holdings Land and Property (UK) Limited. Peel Holdings Land and Property (UK) Limited is a company incorporated and registered in England and Wales which produces group financial statements in accordance with the Companies Act 2006, which include a consolidated group cash flow statement.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Law and Accounting Standards, which have been applied consistently.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life. [No depreciation is charged on assets in the course of construction.]

PEEL WATER NETWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

1 Accounting policies (continued)

1.5 Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements.

Deferred tax is measured on a non-discounted basis.

1.6 Related party transactions

The company has taken advantage of the exemption in paragraph 3(c) of Financial Reporting Standard No. 8 "Related Party Disclosures" and has not disclosed details of transactions with fellow wholly owned undertakings within the Tokenhouse Limited group of companies.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom. Revenue is recognised at the point at which the service is provided.

3 Operating loss

The auditors' remuneration of £500 for audit work was borne by another group company for the year (2009: £nil). No remuneration was paid in respect of non-audit services (2009: same).

4 Interest payable and similar charges

	Year ended 31 March 2010 £	222 day period ended 31 March 2009 £
On amounts payable to group companies	1,071	-
On bank loans and overdrafts	575	-
	<hr/> 1,646 <hr/>	<hr/> - <hr/>

PEEL WATER NETWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

5	Taxation	Year ended 31 March 2010 £	222 day period ended 31 March 2009 £
	UK current year tax		
	UK corporation tax	(12,678)	-
	Current tax credit	(12,678)	-
	Deferred tax		
	Origination and reversal of timing differences	2,174	-
	Tax on loss on ordinary activities	(10,504)	-
	Factors affecting the tax credit for the year		
	Loss on ordinary activities before taxation	(37,514)	-
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009 - 28.00%)	(10,504)	-
	Effects of:		
	Capital allowances in excess of depreciation	(2,174)	-
	Current tax credit	(12,678)	-
	6 Tangible fixed assets		Plant and machinery £
	Cost		
	At 1 April 2009		-
	Additions		38,825
	At 31 March 2010		38,825
	Depreciation		
	At 1 April 2009 & at 31 March 2010		-
	Net book value		
	At 31 March 2010		38,825

[All tangible fixed assets relate to assets in the course of construction.]

PEEL WATER NETWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

7 Debtors	2010	2009
	£	£
Trade debtors	4,276	-
Amounts owed by parent and fellow subsidiary undertakings	12,678	1
Other debtors	10,745	-
Prepayments and accrued income	8,517	-
	<u>36,216</u>	<u>1</u>

8 Creditors: amounts falling due within one year	2010	2009
	£	£
Amounts owed to parent and fellow group undertakings	92,602	-
Accruals and deferred income	14,624	-
	<u>107,226</u>	<u>-</u>

9 Provisions for liabilities	Deferred tax liability
	£
Balance at 1 April 2009	-
Profit and loss account	2,174
	<u>2,174</u>

The deferred tax liability is made up as follows:

	2010	2009
	£	£
Accelerated capital allowances	<u>2,174</u>	<u>-</u>

PEEL WATER NETWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

10 Share capital	2010 £	2009 £
Authorised		
1 Ordinary share of £1 each	1	1
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
1 Ordinary share of £1 each	1	1
	<u> </u>	<u> </u>
11 Statement of movements on profit and loss account		Profit and loss account £
Balance at 1 April 2009		-
Loss for the year		(27,010)
		<u> </u>
Balance at 31 March 2010		(27,010)
		<u> </u>
12 Reconciliation of movements in shareholders' funds	2010 £	2009 £
Loss for the financial year	(27,010)	-
Proceeds from issue of shares	-	1
	<u> </u>	<u> </u>
Net (depletion in)/addition to shareholders' funds	(27,010)	1
Opening shareholders' funds	1	-
	<u> </u>	<u> </u>
Closing shareholders' (deficit)/funds	(27,009)	1
	<u> </u>	<u> </u>

13 Employees

There were no employees during the year or prior period apart from the directors.

No director received any remuneration for their services to the company (2009: £nil).

PEEL WATER NETWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

14 Control

The ultimate holding company in the year ended 31 March 2010 was Tokenhouse Limited, a company incorporated in the Isle of Man. Tokenhouse Limited is controlled by the 1997 Billown Settlement Trust.

The largest group of companies, of which the company is a member, that produces consolidated accounts is Tokenhouse Holdings (IOM) Limited, a company incorporated in the Isle of Man.

The smallest group of companies, of which the company is a member, that produces consolidated accounts, is Peel Holdings (Land and Property) Limited, a company incorporated in England. Its Group accounts are available from the Company Secretary, Peel Dome, The Trafford Centre, Manchester, M17 8PL.

