

Registered number: 1937162

Lyonnaise UK Water Services Limited

**Directors' report and financial statements
For the year ended 31 December 2005**



Lyonnaise UK Water Services Limited

Company information

| | |
|--------------------------|---|
| Directors | MCD Botrel IA Sexton |
| Secretary | J Knight |
| Company number | 1937162 |
| Registered office | SITA House Grenfell Road Maidenhead Berkshire SL6 1ES |

Lyonnaisse UK Water Services Limited

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Lyonnaisse UK Water Services Limited

Directors' report

For the year ended 31 December 2005

The directors present their report and the financial statements for the year ended 31 December 2005.

Principal activities and review of business

The company did not trade during the current or prior year.

Directors

The directors who served during the year were:

MCD Botrel

IA Sexton

Additional information re directors

No director who held office on 31 December 2005 had an interest in the company's shares either during the financial year or at 31 December 2005.

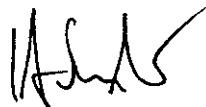
Statement of directors' responsibilities

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 of the company 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;
- 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 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.

This report was approved by the board on 4 July 2006 and signed on its behalf.



IA Sexton
Director

Lyonnaise UK Water Services Limited

Balance sheet
As at 31 December 2005

| | Note | 2005 £ | 2004 £ |
|--|------|-----------|-----------|
| Total assets less current liabilities | | <u>-</u> | <u>-</u> |
| Capital and reserves | | | |
| Called up share capital | 3 | 500 | 500 |
| Profit and loss account | | (500) | (500) |
| | | <u>-</u> | <u>-</u> |
| Shareholders' funds - all equity | | <u>-</u> | <u>-</u> |

For the year ended 31 December 2005 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (i) ensuring the company keeps accounting records which comply with section 221 of the Companies Act 1985, and
- (ii) preparing accounts 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 its profit or loss for the financial year, in accordance with the requirements of section 226 and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

The financial statements were approved by the board on 4 July 2006 and signed on its behalf.



IA Sexton
Director

The notes on pages 3 form part of these financial statements.

Lyonnaise UK Water Services Limited

Notes to the financial statements

For the year ended 31 December 2005

1. Accounting policies

1.1 Basis of preparation of financial statements

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

2. Profit and loss account

The company has not traded during the year or the preceding financial year. During these periods, the company received no income and incurred no expenditure and therefore made neither profit or loss.

3. Share capital

| | 2005 | 2004 |
|---|-------------|-------------|
| | £ | £ |
| Authorised, allotted, called up and fully paid | | |
| 500 ordinary shares of £1 each | 500 | 500 |

4. Related party transactions

Under the provisions of Financial Reporting Standard 8, the company is not required to disclose details of related party transactions with Group entities as it is a wholly owned subsidiary, and the consolidated financial statements in which the company results are included are available to the public.

5. Ultimate parent undertaking and Controlling party

The ultimate parent undertaking is Suez SA, a company incorporated in France.

The largest group of which Lyonnaise UK Water Services Limited is a member and for which group financial statements are drawn up is that headed by Suez SA, whose consolidated financial statements are available from 16 Rue de la Ville L'Eveque, Paris, France.

In the opinion of the directors, Suez SA controls the company as a result of controlling 100% of the issued share capital of Lyonnaise UK Water Services Limited.