

FS Connexions UK Limited

Directors' report and financial statements

Year ended 31st December 2004

Registered number 2599270



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FS Connexions UK Limited

Directors' report and financial statements

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Directors' report for the year ended 31st December 2004

The directors present their report and the independently audited financial statements of the Company for the year ended 31st December 2004.

Principal activity

The Company was dormant throughout the period and did not trade. A profit and loss account for the Company has not been prepared.

In the previous year, an inter-company balance of £552,630 owed by Exchange FS Group Limited, formerly the Company's immediate parent company, was transferred to Marlborough Stirling plc, the Company's ultimate parent undertaking and hence the Company was unable to take advantage of section 229 of the Companies Act 1985 and prepare dormant accounts for the year ended 31st December 2003.

Review of business and future developments

The Company's immediate parent company throughout the year was Exweb Limited.

The Company's ultimate parent company throughout the year was Marlborough Stirling plc.

The Company's future development is directly related to that of its holding companies.

Directors and their interests

The directors who held office during the period and up to the date of signing this report are given below:

R J Beveridge

A P Fritchie

Resigned 21st April 2004

None of the directors above hold any interest in the Company.

The interests of Messrs Fritchie and Beveridge in the 1p ordinary shares of Marlborough Stirling plc are shown in the annual report of that company on account of their being directors of Marlborough Stirling plc during the year. Share options held under the Marlborough Stirling plc share option scheme for Messrs Fritchie and Beveridge are also shown in the annual report of that company.

Elective resolution

On 13th May 1991, the directors passed an elective resolution dispensing with the requirement to hold Annual General Meetings.

Post balance sheet event

On 8th March 2005, Marlborough Stirling plc, the ultimate parent undertaking and controlling party and Vertex Data Science, a subsidiary of United Utilities, announced the terms of a recommended proposal under which Vertex offered to acquire the entire issued and to be issued share capital of Marlborough Stirling plc.

BY ORDER OF THE BOARD



S Thomas
Company Secretary

Date: 10/5/05

Jessop House
Jessop Avenue
Cheltenham
Gloucestershire
GL50 3SH

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 and 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
- State whether applicable 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 proper accounting records which 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.

BY ORDER OF THE BOARD



S Thomas
Company Secretary

Date: 10/5/05

Jessop House
Jessop Avenue
Cheltenham
Gloucestershire
GL50 3SH

Balance sheet as at 31st December 2004

	Note	2004 £	2003 £
Current assets			
Debtors	4	557,880	557,880
		557,880	557,880
Creditors:			
Amounts falling due within one year	5	(281,850)	(281,850)
Net current assets		276,030	276,030
Net assets		276,030	276,030
Capital and reserves			
Called up share capital	6	1,750	1,750
Share premium account	7	499,750	499,750
Profit and loss account	7	(225,470)	(225,470)
Equity shareholders' funds		276,030	276,030

For the year ended 31st December 2004 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:

- ensuring the Company keeps accounting records which comply with section 221; and
- preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of its financial year and of its profit and 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 financial statements, so far as applicable to the Company.

The financial statements on pages 3 to 6 were approved by the board of directors and were signed on its behalf by:


R J Beveridge
 Director

Date: 10/5/05

Reconciliation of movements in shareholder's funds for the year ended 31st December 2004

	2004 £	2003 £
Opening and closing shareholder's funds	276,030	276,030

Notes to the financial statements

1 Accounting policies

These financial statements are prepared under the historical cost convention. The principal accounting policies set out below have been applied consistently and in accordance with applicable accounting standards.

Basis of preparation

The Company is a wholly owned subsidiary of Marlborough Stirling plc and is included in the consolidated financial statements of Marlborough Stirling plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996).

The Company has taken advantage of the exemption available under FRS 8 - 'Related Party Disclosures' not to disclose transactions or balances with other wholly owned group companies.

2 Profit and loss account

The Company did not trade during the year nor incurred any expenses. Accordingly, the Company did not make any profit or loss (2003: £nil).

3 Directors' emoluments

Messrs Fitchie and Beveridge were, during the year, directors of Marlborough Stirling plc and their emoluments are disclosed in that company's financial statements.

No management recharges are made by Marlborough Stirling plc nor by any other fellow subsidiaries in respect of their services to the Company.

4 Debtors

	2004 £	2003 £
Amounts owed by group undertakings	557,880	557,880

5 Creditors: amounts falling due within one year

	2004 £	2003 £
Amounts owed to group undertakings	281,850	281,850

6 Called up share capital

	2004 £	2003 £
Authorised		
2,250 (2003: 2,250) ordinary shares of £1 each	2,250	2,250
Allotted, called up and fully paid		
1,750 (2003: 1,750) ordinary shares of £1 each	1,750	1,750

7 Reserves

	Share premium account £	Profit and loss account £
At 1st January 2004 and 31st December 2004	499,750	(225,470)

Notes to the financial statements (continued)

8 Post balance sheet event

On 8th March 2005, Marlborough Stirling plc, the ultimate parent undertaking and controlling party and Vertex Data Science, a subsidiary of United Utilities, announced the terms of a recommended proposal under which Vertex offered to acquire the entire issued and to be issued share capital of Marlborough Stirling plc.

9 Ultimate parent undertaking

The immediate parent company during the year was Exweb Limited.

The ultimate parent undertaking and controlling party throughout the period covered by these financial statements was Marlborough Stirling plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements.

Copies of Marlborough Stirling plc consolidated financial statements can be obtained from the Company Secretary at Jessop House, Jessop Avenue, Cheltenham GL50 3SH.