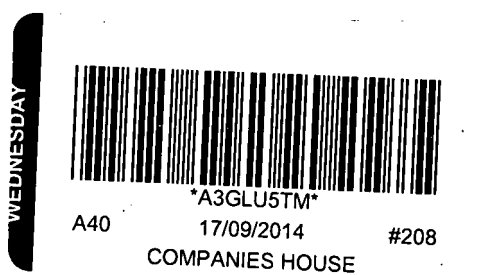


United Utilities (Overseas Holdings) Limited

Report and Unaudited Financial Statements

31 March 2014



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Registered No: 2536732

Directors, advisers and other information

Directors

MA Gee

DM Hannon

UU Secretariat Limited

Secretary

UU Secretariat Limited

Registered office

Haweswater House

Lingley Mere Business Park

Lingley Green Avenue

Great Sankey

Warrington

WA5 3LP

Directors' report

The directors present their report and unaudited financial statements for the year ended 31 March 2014.

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.

The company is exempt from the requirement for an audit under section 480 of the Companies Act 2006.

Strategic Report

The company meets the size criteria as a small company and is therefore not required to provide a strategic report.

Principal activities and business review

The principal activity of United Utilities (Overseas Holdings) Limited is to act as an investment holding company.

Going concern

The directors' considerations in preparing these financial statements on a going concern basis are set out in note 1.

Directors

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

MA Gee	(appointed 13 August 2013)
DM Hannon	
SL Illingworth	(resigned 27 September 2013)
UU Secretariat Limited	

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

Approved by the board and signed on its behalf by:



MA Gee
Director
15 September 2014

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' 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;
- 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 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.

Profit and loss account

For the year ended 31 March 2014

	Note	2014 £	2013 £
Interest receivable and similar income from intermediate parent undertaking		-	17,421
Result/profit on ordinary activities before taxation		-	17,421
Taxation on result/profit on ordinary activities	3	-	-
Result/profit after taxation	10	-	17,421

All of the results shown above relate to continuing operations.

The company had no recognised gains or losses, in either year. Accordingly, a separate statement of total recognised gains and losses has not been prepared.

Reconciliation of movements in shareholder's funds

For the year ended 31 March 2014

	Note	2014 £	2013 £
Result/profit after taxation		-	17,421
Dividends	5	-	(95,829,005)
Net decrease in shareholder's funds		-	(95,811,584)
Opening shareholder's funds		-	95,811,585
Closing shareholder's funds		-	1

Balance sheet

At 31 March 2014

	Note	2014 £	2013 £
Fixed assets			
Investments	4	1	1
Total assets less current assets and net assets		<u>1</u>	<u>1</u>
Capital and reserves			
Called up share capital	6	1	1
Shareholder's funds	7	<u>1</u>	<u>1</u>

The company was dormant during the current year.

For the year ended 31 March 2014 the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies. The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the accounts.

The financial statements of United Utilities (Overseas Holdings) Limited, registered number 2536732 were approved by the board of directors and authorised for issue on 15 September 2014. They were signed on its behalf by:



MA Gee
Director

Notes to the financial statements

At 31 March 2014

1. Accounting policies

Basis of accounting

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

The company has net assets, on this basis, the directors believe it is appropriate to prepare the accounts on a going concern basis.

Cash flow statement

At 31 March 2014, the company was a wholly owned subsidiary of United Utilities International 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

As the company is a wholly owned subsidiary of the group headed by United Utilities Group PLC, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 'Related party transactions' not to disclose transactions or balances with other 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, including UK corporation tax and foreign tax, is based on the taxable profit for the year 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 profit and loss account 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.

Dividend income

Dividend income is recognised when the company's right to receive payment is established.

Fixed asset investments

Investments are stated at cost less provision for impairment.

2. Operating profit

There have been no employees of the company during the year other than the directors (2013: none, other than the directors). The directors' emoluments are borne by other group companies and are not recharged (2013: nil). This is because a fair apportionment is not possible as services are provided to multiple entities.

The company was not subject to an audit in either year and there were no non-audit services provided by the auditor to the company in either year.

Notes to the financial statements (continued)

At 31 March 2014

3. Taxation on result/profit on ordinary activities

(a) Analysis of the tax charge for the year

	2014	2013
	£	£
Current tax:		
Taxation on profit on ordinary activities (note 3(b))	-	-

(b) Factors affecting the tax charge for the year

The table below reconciles the notional tax charge at the UK corporation tax rate to the actual charge for taxation:

	2014	2013
	£	£
Result/profit on ordinary activities before taxation	-	17,420
Profit on ordinary activities multiplied by the standard rate of corporation tax in UK of 23% (2013: 24%)	-	4,181
Group relief surrendered for no consideration	-	(4,181)
Current tax charge (note 3(a))	-	-

A reduction in the UK corporation tax rate from 24% to 23% (effective from 1 April 2013) was substantively enacted on 3 July 2012, and further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future tax charge accordingly.

4. Fixed asset investments

Unlisted investments (shares in subsidiary undertakings)

At 31 March 2014, the company held an investment in Birchpoint No. 1 of one ordinary share of £1.00, giving it nil percentage voting rights. The principal activity of Birchpoint No. 1 is to act as a financing company.

5. Dividends

Amounts recognised as distributions to equity holders in the year are:

	2014	2013
	£	£
Interim dividend for the year ended 31 March 2014 at £nil (2013: at £95,829,005 per share)	-	95,829,005
	-	-

6. Called up share capital

	2014	2013
	£	£
Allotted, called up, and fully paid		
1 ordinary share of £1.00 each	1	1

Notes to the financial statements (continued)

At 31 March 2014

7. Capital and reserves

	Share capital £	Profit and loss account £	Total shareholders' funds £
At 1 April 2013	1	-	1
31 March 2014			

8. Guarantees and other financial commitments

The company has provided a performance guarantee to a joint venture undertaking of the United Utilities group – Mahindra Water Utilities Limited (“MWUL”), a company incorporated in India. This guarantees the proper and punctual performance by MWUL of all its obligations under the agreement and undertakes to pay if MWUL fails to pay, all amounts whatsoever which the agreement provides are to be paid. The amount supported by United Utilities (Overseas Holdings) Limited as at 31 March 2014 is £2,500,000 (2013: £2,500,000).

9. Ultimate parent undertaking

The company's immediate parent undertaking is United Utilities International 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 was 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 was 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.