

Birchpoint No.1

Report and Financial Statements

31 March 2013

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Registered No 3455575

Directors, advisors and other information

Directors

SR Gardiner

IJA Plenderleith

Secretary

UU Secretariat Limited

Auditor

KPMG Audit Plc

St James' Square

Manchester

M2 6DS

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 2013

The directors' report has been prepared in accordance with the special provisions relating to small companies of the Companies Act 2006. Accordingly, no enhanced business review has been prepared.

Results and dividends

The company recorded a profit for the year of £1,754,993 (2012 £1,753,765). The directors do not recommend the payment of an ordinary dividend (2012 £nil).

Principal activities and review of business

The principal activity of the company is to act as a financing company. The company is expected to continue to act as a financing 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:

SR Gardiner
IJA Plenderleith

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

Disclosure of information to the auditor

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

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

This confirmation is given, and should be interpreted, in accordance with the provisions of section 418 of the Companies Act 2006.

Auditor

Our auditor, KPMG, has informed us that for administrative reasons and to instigate the orderly wind down of business, they wish to formally change the entity which conducts the Company's audit from KPMG Audit Plc to KPMG LLP. KPMG Audit Plc has indicated that it will resign as auditor during the year ending 31 March 2014 and The Board of Directors will propose the appointment of KPMG LLP as auditor of the Company for the financial year ending 31 March 2014.

Approved by the board and signed on its behalf by



SR Gardiner
Director

25 October 2013

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,
- 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

Independent auditor's report

to the members of Birchpoint No. 1

We have audited the financial statements of Birchpoint No. 1 for the year ended 31 March 2013 set out on pages 6 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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, and express an opinion on, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

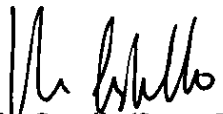
Opinion on other matter prescribed by the Companies Act 2006

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.

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


John Costello (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
St James' Square
Manchester
M2 6DS

29 October 2013

Profit and loss account

For the year ended 31 March 2013

	Note	2013 £	2012 £
Administrative income		-	2,231
Operating profit	2	-	2,231
Interest receivable and similar income	3	2,309,796	2,366,938
Profit on ordinary activities before taxation		2,309,796	2,369,169
Taxation on profit on ordinary activities	4	(554,803)	(615,404)
Profit after taxation	8	1,754,993	1,753,765

All of the results shown above relate to continuing operations

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 2013

	Note	2013 £	2012 £
Current assets			
Debtors	5	223,271,875	215,659,030
Creditors: amounts falling due within one year	6	(3,982,385)	(3,466,371)
Net current assets and net assets		<u>219,289,490</u>	<u>212,192,659</u>
Capital and reserves			
Called up share capital	7	156,551,525	151,251,525
Share premium account	8	55,018,599	54,976,761
Capital redemption reserve	8	3,945,328	3,945,328
Profit and loss account	8	3,774,038	2,019,045
Shareholders' funds		<u>219,289,490</u>	<u>212,192,659</u>

The financial statements of Birchpoint No 1, registered number 3455575, were approved by the board of directors and authorised for issue on 25 October 2013. They were signed on its behalf by



SR Gardiner
Director

Reconciliation of movements in shareholders' funds

For the year ended 31 March 2013

	Note	2013 £	2012 £
Profit after taxation	8	1,754,993	1,753,765
New share capital subscribed	8	5,300,000	4,700,000
New share premium	8	41,838	-
Net addition to shareholders' funds	8	7,096,831	6,453,765
Opening shareholders' funds	8	212,192,659	205,738,894
Closing shareholders' funds	8	219,289,490	212,192,659

Notes to the financial statements

At 31 March 2013

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

The company is profitable and has net assets that are considered by the directors to be fully recoverable, on this basis, the directors believe it is appropriate to prepare the accounts on a going concern basis

Cash flow statement

At 31 March 2013, the company was a wholly owned subsidiary of United Utilities B V 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 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 wholly owned subsidiaries 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 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 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

2. Operating profit

There have been no employees of the company during the year, other than the directors (2012 none, other than the directors). The directors' emoluments are borne by other group companies and are not recharged (2012 same). This is because a fair apportionment is not possible as services are provided to multiple entities

The auditor's remuneration for the statutory audit of the company was borne by another group undertaking. The amount attributable but not recharged to Birchpoint No 1 was £1,000 (2012 £1,000). There were no non audit services provided by the auditor to the company in either year

3. Interest receivable and similar income

	2013	2012
	£	£
Interest receivable from intermediate parent company	1,946,812	1,945,011
Interest receivable from fellow subsidiary undertaking	362,984	421,927
	<u>2,309,796</u>	<u>2,366,938</u>

Notes to the financial statements (continued)

At 31 March 2013

4. Taxation on profit on ordinary activities

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2013 £	2012 £
Current tax		
UK corporation tax on profit for the year	554,351	615,404
Adjustments in respect of prior periods	452	-
Total current tax charge (see note 4(b))	<u>554,803</u>	<u>615,404</u>

(b) Factors affecting the tax charge for the year

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

	2013 £	2012 £
Profit on ordinary activities before taxation	<u>2,309,796</u>	<u>2,369,169</u>
Tax on profit on ordinary activities at 24% (2012 26%)	554,351	615,984
Non-taxable income	-	(580)
Adjustments in respect of prior periods	452	-
Current tax charge (note 4(a))	<u>554,803</u>	<u>615,404</u>

A reduction in the UK corporation tax rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively

The UK Government, on 2 July 2013, substantively enacted the changes to facilitate the staged reductions in the mainstream rate of corporation taxation from 23% to 21%, with effect from 1 April 2014, and from 21% to 20%, with effect from 1 April 2015

5. Debtors

	2013 £	2012 £
Amounts owed by intermediate parent company	180,421,548	173,172,183
Amounts owed by fellow subsidiary undertakings	42,850,327	42,486,847
	<u>223,271,875</u>	<u>215,659,030</u>

6. Creditors: amounts falling due within one year

	2013 £	2012 £
Amounts owed to fellow subsidiary undertakings	2,293,419	2,332,208
Amounts owed to intermediate parent company group relief payable	1,688,966	1,134,163
	<u>3,982,385</u>	<u>3,466,371</u>

Notes to the financial statements (continued)

At 31 March 2013

7. Called up share capital

	2013	2012
	£	£
Allotted, called up and fully paid		
156,551,525 (2012 151,251,525) ordinary shares of £1 00 each	156,551,525	151,251,525

During the year 5,300,000 (2012 4,700,000) ordinary shares of £1 00 each were issued to United Utilities B V for a total consideration of £5,341,838 (2012 £4,700,000)

8. Capital and reserves

	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total shareholders' funds £
At 1 April 2012	151,251,525	54,976,761	3,945,328	2,019,045	212,192,659
Profit after taxation	-	-	-	1,754,993	1,754,993
New share capital subscribed	5,300,000	-	-	-	5,300,000
New share premium	-	41,838	-	-	41,838
At 31 March 2013	156,551,525	55,018,599	3,945,328	3,774,038	219,289,490

9. Ultimate parent undertaking

The company's immediate parent undertaking is United Utilities B V, a company incorporated in the Netherlands

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

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 was 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