

UNITED UTILITIES NOMINEES LIMITED
Registered number 2380261

FINANCIAL STATEMENTS
For the year ended 31 March 1998



UNITED UTILITIES NOMINEES LIMITED

FINANCIAL STATEMENTS

For the year ended 31 March 1998

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UNITED UTILITIES NOMINEES LIMITED

DIRECTORS' REPORT

For the year ended 31 March 1998

The Directors have pleasure in presenting the annual report and audited financial statements for United Utilities Nominees Limited for the year ended 31 March 1998.

Review of the business

The Company operates as a nominee investment company. It does not trade and consequently no profit and loss account has been prepared.

Directors and their interests

The Directors who served during the year were :

P N Applewhite	
T M Rayner	appointed 31 December 1997
J R Tetlow	resigned 31 December 1997

None of the Directors held any interest in the share capital of the company.

The Directors' interests at 31 March 1998 in the share capital of United Utilities PLC, the Company's ultimate parent undertaking were as follows :

	1998		1997 or on appointment	
	United Utilities PLC			
	Ordinary shares	Share options	Ordinary shares	Share options
P N Applewhite	8,156	9,593	7,138	10,298
T M Rayner	-	15,543	-	15,543

By order of the Board



P N Applewhite
Director

PO Box 14
410 Birchwood Boulevard
Birchwood
Warrington
WA3 7GA

UNITED UTILITIES NOMINEES LIMITED

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DIRECTORS' RESPONSIBILITIES

In respect of the preparation of the financial statements

The following statement, which should be read in conjunction with the statement of auditors' responsibilities included in the report of the auditors on page 3, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the auditors in relation to the financial statements.

The Directors are required by the Companies Act 1985 to prepare financial statements for each financial year 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 the profit or loss for the financial year.

In preparing the financial statements, the Directors are required to select appropriate accounting policies and apply them consistently, make judgements and estimates that are reasonable and prudent, and state whether all applicable accounting standards have been followed. The Directors are also required to use a going concern basis in preparing the financial statements unless this is inappropriate.

The Directors have a responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to comply with the Companies Act 1985.

The Directors have a general responsibility at law for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect other irregularities.

UNITED UTILITIES NOMINEES LIMITED

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AUDITORS' REPORT

TO THE MEMBERS OF UNITED UTILITIES NOMINEES LIMITED

We have audited the financial statements on pages 4 and 5.

Respective responsibilities of Directors and auditors

As described under 'Directors' Responsibilities' on page 2, the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements, and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's state of affairs as at 31 March 1998 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
St James' Square
Manchester
M2 6DS

29 January 1999

UNITED UTILITIES NOMINEES LIMITED

BALANCE SHEET
As at 31 March 1998

	Note	1998 £	1997 £
Current Assets			
Debtors	2	5	5
Net assets		5	5
		£	£
Capital and reserves			
Share capital	3	5	5
Shareholders' funds		5	5

The financial statements on pages 4 and 5 were approved by the Board of directors on 25th January 1999 and signed on its behalf by :



T M Rayner
Director

UNITED UTILITIES NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 1998

1 ACCOUNTING POLICIES

Basis of preparation

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

2 DEBTORS

	1998 £	1997 £
Share capital not paid.	<u>5</u>	<u>5</u>

3 SHARE CAPITAL

The authorised share capital consists of 100 £1 ordinary shares. (1997 - 100 £1 shares).

	1998 £	1997 £
Ordinary shares of £1 each:		
Allotted and issued	<u>5</u>	<u>5</u>

4 ULTIMATE PARENT UNDERTAKING

The directors regard United Utilities PLC as the company's ultimate parent undertaking. United Utilities PLC is also the company's ultimate controlling party as defined by Financial Reporting Standard 8 'Related Party Transactions'.

At 31 March 1998 the Company was a subsidiary of NORWEB plc, which is the smallest higher group of undertakings for which group accounts are drawn up. The results of the Company are consolidated within the Group accounts of NORWEB plc. Subsequent to the year end ownership of the Company was transferred to United Utilities Holdings Trustee Limited.

The Group accounts of NORWEB plc are consolidated within the Group accounts of United Utilities PLC, a company registered in England and Wales.

Copies of these accounts can be obtained from:

The Company Secretary
United Utilities PLC
Birchwood Boulevard
Birchwood Point Business Park
Birchwood
Warrington
WA3 7WB