

Registered No 2536732

United Utilities (Overseas Holdings) Limited

Report and Financial Statements

31 March 2013

WEDNESDAY



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COMPANIES HOUSE

Contents

Directors, advisers and other information	2
Directors' report	3
Statement of directors' responsibilities in respect of the financial statements	4
Independent auditor's report	5
Profit and loss account	6
Reconciliation of movement in shareholders' funds	6
Balance sheet	7
Notes to the financial statements	8

United Utilities (Overseas Holdings) Limited

Registered No 2536732

Directors, advisers and other information

Directors

MA Gee

DM Hannon

SL Illingworth

UU Secretariat Limited

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 audited financial statements for the year ended 31 March 2013

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

Results and dividends

The company recorded a profit after taxation of £17,000 (2012 £757,000). During the year the company paid an interim dividend of £95,829,005 (2012 £nil). No final dividend has been declared (2012 £nil).

Principal activities and business review

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

During the year the company undertook a capital reduction to reduce its capital from 201,988,418 £1 shares to 1 £1 share.

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
UU Secretariat Limited

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 or she is aware, there is no relevant audit information of which the company's auditor is unaware, and
- 2 he or she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself 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 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



DM Hannon
Director
25 September 2013

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual 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 United Utilities (Overseas Holdings) Limited

We have audited the financial statements of United Utilities (Overseas Holdings) Limited for the year ended 31 March 2013 as 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.

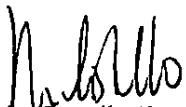
Opinion on other matter prescribed by the Companies Act 2006

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, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report.


John Costello (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
St James' Square
Manchester
M2 6DS
30 September 2013

Profit and loss account

For the year ended 31 March 2013

	Note	2013 £000	2012 £000
Dividend income from fixed asset investments	2	-	52,737
Administrative expenses	3	-	(2)
Operating profit	3	-	52,735
Exceptional item Loss on disposal of fixed asset investments	6	-	(52,000)
		-	735
Interest receivable and similar income from intermediate parent undertaking		17	29
Profit on ordinary activities before taxation		17	764
Taxation on profit on ordinary activities	4	-	(7)
Profit after taxation	10	17	757

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.

Reconciliation of movements in shareholders' funds

For the year ended 31 March 2013

	Note	2013 £000	2012 £000
Profit after taxation		17	757
Dividends	5	(95,829)	-
Net increase in shareholders' funds		(95,812)	757
Opening shareholders' funds		95,812	95,055
Closing shareholders' funds		-	95,812

Balance sheet

At 31 March 2013

	Note	2013 £000	2012 £000
Fixed assets			
Investments	6	-	-
Current assets			
Debtors	7	-	95,850
Creditors: amounts falling due within one year	8	-	(38)
Net current (liabilities)/assets		-	95,812
Total assets less current liabilities and net (liabilities)/assets		-	95,812
Capital and reserves			
Called up share capital	9	-	201,988
Profit and loss account	10	-	(106,176)
Shareholders' (deficit)/funds	10	-	95,812

The financial statements of United Utilities (Overseas Holdings) Limited, registered number 2536732 were approved by the board of directors and authorised for issue on 25 September 2013. They were signed on its behalf by



DM Hannon
Director

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 laws and accounting standards in the United Kingdom

The principal activity of the company is to act as an investment holding company. The company is profitable and has nil 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 2013, 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. Income from fixed asset investments

	2013 £000	2012 £000
Dividends receivable from unlisted investments	-	52,737

Notes to the financial statements (continued)

At 31 March 2013

3. Operating profit

Operating profit is stated after charging

	2013 £000	2012 £000
Bank charges	-	2

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 nil). This is because a fair apportionment is not possible as services are provided to multiple entities.

The auditor's remuneration in respect of the statutory audit of the company was borne by another group undertaking in the current year. The amount attributable but not recharged to United Utilities (Overseas Holdings) Limited was £2,000 (2012 £2,000). There were no non-audit services provided by the auditor to the company in either year.

4. Taxation on profit on ordinary activities

(a) Analysis of the tax charge for the year

	2013 £000	2012 £000
Current tax	-	7
Taxation on profit on ordinary activities (note 4(b))	-	7

(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.

	2013 £000	2012 £000
Profit on ordinary activities before taxation	17	764
Profit on ordinary activities multiplied by the standard rate of corporation tax in UK of 24% (2012 26%)	4	199
Non-taxable dividend income	-	(13,712)
Non-deductible loss on disposal of fixed asset investments	-	13,520
Group relief surrendered for no consideration	(4)	-
Current tax charge (note 4(a))	-	7

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.

Notes to the financial statements (continued)

At 31 March 2013

5. Dividends

Amounts recognised as distributions to equity holders in the year are

	2013 £000	2012 £000
Interim dividend for the year ended 31 March 2013 at £95,829,005 per share (2012: £nil)	95,829	-
	<u>95,829</u>	<u>-</u>

6. Fixed asset investments

Unlisted investments (shares in subsidiary undertakings)

At 31 March 2013, the company held an investment in Birchpoint No 1 ("Birchpoint"). The company held one ordinary share of £1.00 in Birchpoint giving it nil percentage voting rights. The principal activity of Birchpoint is to act as a financing company.

In the prior year, United Utilities Canada Limited, in which the company held an investment at £nil cost, was dissolved and also in the prior year, NB Real Estate No 1 Limited, in which the company held investment, was dissolved resulting in a loss on disposal of £52,000,000. The disposals resulted in a realisation value of £52,737,000 through receipt of dividends.

7. Debtors

	2013 £000	2012 £000
Amounts owed by other group undertakings	-	52,000
Amounts owed by intermediate parent undertaking	-	2,783
Amounts owed by parent undertaking	-	41,067
	<u>-</u>	<u>95,850</u>

8. Creditors : amounts falling due within one year

	2013 £000	2012 £000
Amounts owed to intermediate parent undertaking group relief payable	-	38
	<u>-</u>	<u>38</u>

9. Called up share capital

	2013 £000	2012 £000
Allotted, called up, and fully paid 1 ordinary share of £1.00 each (2012: 201,988,418 ordinary shares of £1 each)	-	201,988
	<u>-</u>	<u>201,988</u>

Notes to the financial statements (continued)

At 31 March 2013

10. Capital and reserves

	Share capital £000	Profit and loss account £000	Total shareholders' funds/(deficit) £000
At 1 April 2012	201,988	(106,176)	95,812
Profit after taxation	-	17	17
Capital reduction	(201,988)	201,988	-
Dividends (see note 5)	-	(95,829)	(95,829)
At 31 March 2013	-	-	-

11. 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 2013 is £2,500,000 (2012: £2,700,000).

12. 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.