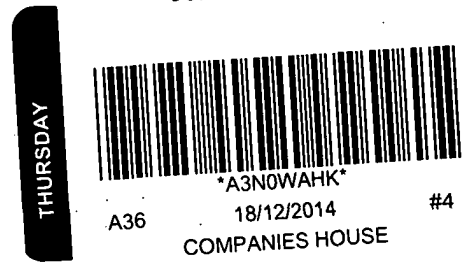


Registration number: 2702745

Anglian Water Overseas Holdings Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2014



Anglian Water Overseas Holdings Limited
Contents

Company Information	1
Strategic Report	2
Directors' Report	3 to 4
Independent Auditor's Report	5 to 6
Profit and Loss Account	7
Balance Sheet	8
Notes to the Financial Statements	9 to 14

Anglian Water Overseas Holdings Limited
Company Information

Directors	J D Forster C T Russell N G Manning
Registered office	Lancaster House Lancaster Way Ermine Business Park Huntingdon Cambridgeshire PE29 6YJ
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Birmingham

Anglian Water Overseas Holdings Limited
Strategic Report for the Year Ended 31 March 2014

The directors present their strategic report for the year ended 31 March 2014.

Business review

Fair review of the business

During the year the company continued the process of disposal or closure of its international investments in line with the ultimate parent company's decision to exit the international business, with the exception of Anglian Water (Ireland) Limited where the business is ongoing. In the forthcoming year the company intends to dispose of further investments as appropriate opportunities arise.

The company made a profit during the financial year of £1,781,000 (2013: £1,695,000) the net assets of the company as at 31 March 2014 were £8,640,000 (2013: £6,859,000).

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development or performance of the business.

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately.

Approved by the Board on ~~17/12/2014~~ and signed on its behalf by:


.....
J D Forster
Director

Anglian Water Overseas Holdings Limited

Directors' Report for the Year Ended 31 March 2014

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

Directors of the company

The directors who held office during the year and up to the date of signing the financial statements were as follows:

J D Forster

C T Russell

N G Manning

Financial risk management

Objectives and policies

The company does not operate externally to the group and therefore its financial risks are governed by group policies and procedures. These policies and procedures are discussed in the Osprey Acquisitions Limited consolidated financial statements.

Directors' liabilities

The company maintains directors' and officers' liability insurance which gives appropriate cover for legal action brought against its directors. The company has also provided an indemnity for its directors, which is a qualifying third party indemnity provision for the purpose of section 234 ((2) – 6) of the Companies Act 2006.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditor is unaware of.

Reappointment of auditors

The auditors PricewaterhouseCoopers LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and 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 prepared 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:

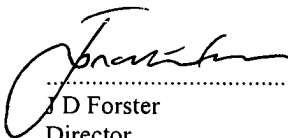
- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Anglian Water Overseas Holdings Limited
Directors' Report for the Year Ended 31 March 2014

..... *continued*

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.

Approved by the Board on ~~13/12/14~~ 13/12/14... and signed on its behalf by:


.....
J D Forster
Director

Independent Auditor's Report to the Members of Anglian Water Overseas Holdings Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Anglian Water Overseas Holdings Limited, comprise:

- Balance Sheet as at 31 March 2014;
- Profit and Loss Account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK & Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give a reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent Auditor's Report to the Members of
Anglian Water Overseas Holdings Limited**

..... *continued*

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

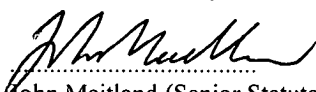
Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities, 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



John Maitland (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors

Birmingham

Date: 17 December 2014

Anglian Water Overseas Holdings Limited
Profit and Loss Account for the Year Ended 31 March 2014

	Note	2014 £ 000	2013 £ 000
Turnover		-	-
Cost of sales		-	-
Gross result		-	-
Administrative expenses		-	(30)
Operating result / (loss)	2	-	(30)
Result / (loss) on ordinary activities before investment income and interest		-	(30)
Income from shares in group undertakings		1,788	1,718
Interest payable and similar charges	4	(11)	-
Profit on ordinary activities before taxation		1,777	1,688
Tax on profit on ordinary activities	5	4	7
Profit for the financial year	12	1,781	1,695

Results derive wholly from continuing operations.

The company has no recognised gains or losses for the year other than the profit above and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalent.

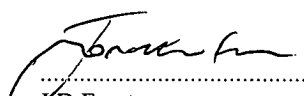
Anglian Water Overseas Holdings Limited

(Registration number: 2702745)

Balance Sheet at 31 March 2014

	Note	2014 £ 000	2013 £ 000
Fixed assets			
Investments	6	-	-
		-	-
Current assets			
Debtors	7	9,880	8,096
Cash at bank and in hand		148	174
		10,028	8,270
Creditors: Amounts falling due within one year	8	(496)	(495)
Net current assets		9,532	7,775
Total assets less current liabilities		9,532	7,775
Provisions for liabilities	9	(892)	(916)
Net assets		8,640	6,859
Capital and reserves			
Called up share capital	10	15,696	15,696
Profit and loss account	12	(7,056)	(8,837)
Total shareholder's funds	11	8,640	6,859

Approved and authorised for issue by the Board on ~~31/12/2014~~ 13/12/2014 and signed on its behalf by:


.....
J D Forster
Director

The notes on pages 9 to 14 form an integral part of these financial statements.

Anglian Water Overseas Holdings Limited
Notes to the Financial Statements for the Year Ended 31 March 2014

1 Accounting policies

Basis of preparation

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom and the Companies Act 2006.

The following principal accounting policies and estimation techniques have been applied to the financial statements, on a consistent basis with the previous year, as stated.

Cash flow statement and related party disclosures

The company is a wholly-owned subsidiary of Osprey Holdco Limited and is included in the consolidated financial statements of Osprey Holdco Limited, 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 is also exempt under the terms of FRS8 from disclosing related-party transactions with entities that are part of the Osprey Holdco Limited group or investees of the Osprey Holdco Limited group.

Exemption from preparing group accounts

The company has taken exemption under Section 400 of the Companies Act 2006 from preparing group accounts as it is included in consolidated accounts for a larger group which are drawn up as full consolidated accounts which are filed at Companies House.

Fixed asset investments

Investments held as fixed assets are stated at cost less any provision for impairment.

Deferred tax

Deferred taxation is provided on timing differences, arising from the different treatment for accounts and taxation purposes of events and transactions recognised in the financial statements of the current and previous years. Deferred taxation is calculated at the rates at which it is estimated that taxation will arise and are not discounted.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that there will be suitable taxable profits against which the deferred tax asset can be recovered in future periods.

Provisions

Provisions are recognised when the group has a present obligation for a past event, for which it is probable that a transfer of economic benefits will be required and a reliable estimate can be made of the amount of the obligations. Provisions are discounted depending on their nature and the monetary value.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the financial year-end exchange rates. Exchange differences are taken to the profit and loss account.

Anglian Water Overseas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2014

..... *continued*

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

2 Operating result / (loss)

The fees for audit services were borne by another group company with no recharge to the company.

3 Directors' emoluments and employee information

None of the directors of the company received any emoluments during the year or the preceding year in respect of their services to the company.

The company had no employees during the year or the preceding year.

4 Interest payable and similar charges

	2014 £ 000	2013 £ 000
Other interest payable	11	-
	<u>11</u>	<u>-</u>

5 Taxation

Tax on profit on ordinary activities

	2014 £ 000	2013 £ 000
Current tax		
Corporation tax credit	<u>(4)</u>	<u>(7)</u>

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 23% (2013 - 24%).

The differences are reconciled below:

Anglian Water Overseas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2014

..... *continued*

	2014	2013
	£ 000	£ 000
Profit on ordinary activities before taxation	<u>1,777</u>	<u>1,688</u>
Corporation tax at standard rate	409	405
Short-term timing differences	(6)	(3)
Non taxable income	<u>(407)</u>	<u>(409)</u>
Total current tax	<u>(4)</u>	<u>(7)</u>

Factors that may affect future tax charges

The short-term timing differences relate to provisions for which tax relief will be available in the future years. The ability of the company to generate sufficient future profits is uncertain, therefore no deferred tax asset has been recognised. The amount not recognised in the year was (£43,545), (2013 - (£55,596))

During the year, as a result of the change in the UK corporation tax rate from 23% to 21% that is effective from 1 April 2014, and to 20% from 1 April 2015, all relevant deferred tax balance have been re-measured.

6 Investments held as fixed assets

Shares in group undertakings and participating interests

	Subsidiary	Total
	undertakings	£ 000
	£ 000	£ 000
Cost		
At 1 April 2013 and 31 March 2014	875	875
Provision for impairment		
At 1 April 2013 and 31 March 2014	<u>(875)</u>	<u>(875)</u>
Net book value		
At 31 March 2014	<u>-</u>	<u>-</u>
At 31 March 2013	<u>-</u>	<u>-</u>

7 Debtors

	2014	2013
	£ 000	£ 000
Amounts owed by group undertakings	9,876	8,089
Other debtors	<u>4</u>	<u>7</u>
	<u>9,880</u>	<u>8,096</u>

Anglian Water Overseas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2014

..... *continued*

Amounts owed by group undertakings are unsecured, have variable interest rates and are repayable on demand with no fixed repayment date.

8 Creditors: Amounts falling due within one year

	2014 £ 000	2013 £ 000
Amounts owed to group undertakings	485	485
Other creditors	6	10
Accruals and deferred income	5	-
	496	495

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

9 Provisions

	Other provision £ 000	Total £ 000
At 1 April 2013	916	916
Utilised during the year	(24)	(24)
At 31 March 2014	892	892

The provisions relate to exposures in the international business which are expected to crystallise over a period of approximately two years. The amounts stated above have not been discounted.

10 Share capital

Allotted, called up and fully paid shares

	2014		2013	
	No.	£	No.	£
Ordinary shares of £1 each	15,695,513	15,695,513	15,695,513	15,695,513

Anglian Water Overseas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2014

..... *continued*

11 Reconciliation of movement in shareholder's funds

	2014 £ 000	2013 £ 000
Profit attributable to the members of the company	1,781	1,695
Net addition to shareholder's funds	1,781	1,695
Shareholder's funds at 1 April	6,859	5,164
Shareholder's funds at 31 March	<u>8,640</u>	<u>6,859</u>

12 Reserves

	Profit and loss account £ 000	Total £ 000
At 1 April 2013	(8,837)	(8,837)
Profit for the year	1,781	1,781
At 31 March 2014	<u>(7,056)</u>	<u>(7,056)</u>

13 Contingent liabilities

The company is party to cross guarantee arrangements relating to certain group companies' accounts at Barclays Bank Plc. Net indebtedness under each of these arrangement at 31 March 2014 was £nil (2013 £nil).

14 Related party transactions

As a wholly-owned subsidiary of Osprey Aquisitions Limited, advantage has been taken of the exemption granted in FRS 8 not to disclose related party transactions with other members of the group.

Anglian Water Overseas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2014

..... continued

15 Ultimate parent undertaking and controlling party

The company's immediate parent is Anglian Water International Holdings Limited, a company registered in England.

Osprey Acquisitions Limited is the parent company of the smallest group to consolidate the financial statements of the company, copies of which can be obtained from the Company Secretary, Anglian House, Ambury Road, Huntingdon, Cambridgeshire PE29 3NZ.

Anglian Water Group Limited is the parent company of the largest group to consolidate the financial statements of the company, copies of which can be obtained from the Company Secretary, Anglian House, Ambury Road, Huntingdon, Cambridgeshire PE29 3NZ.

The Directors consider Anglian Water Group Limited, a company registered in Jersey, to be the ultimate parent undertaking and controlling party. Anglian Water Group Limited is itself owned and controlled by a consortium of investors consisting of the Canada Pension Plan Investment Board, Colonial First State Global Asset Management, Industry Funds Management (IFM), and 3i.