Grant Thornton

Registrar

Financial Statements
Aqua Geocomposites Limited

For the year ended 31 October 2011

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COMPANIES HOUSE

Registered number: 2371421

Company Information

Directors	I T Smith L C Smith S Smith C J Weston
Company secretary	L C Smith
Company number	2371421
Registered office	Belmont House Garnett Place East Gillibrands Skelmersdale WN8 9UB
Auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Royal Liver Building Liverpool L3 1PS
Bankers	Barclays Bank Plc 19 Church Street St Helens WA10 1BG
Solicitors	Hill Dickinson LLP No 1 St Paul's Square Old Hall Street Liverpool L3 9SJ

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Directors' report

For the year ended 31 October 2011

The directors present their report and the financial statements for the year ended 31 October 2011

Statement of directors' responsibilities

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 estimates that are reasonable and prudent,
- 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

Principal activity

The company is principally engaged in the manufacture of Geo Textile Drainage Systems

Directors

The directors who served during the year were

I T Smith
L C Smith
S Smith
C J Weston

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

Directors' report

For the year ended 31 October 2011

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 20 December 2011 and signed on its behalf



L C Smith
Director

Grant Thornton

Independent auditor's report to the members of Aqua Geocomposites Limited

We have audited the financial statements of Aqua Geocomposites Limited for the year ended 31 October 2011, which comprise the Profit and loss account, the Balance sheet and the related notes 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)

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 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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www frc org uk/apb/scope/private cfm

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 October 2011 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

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

Independent auditor's report to the members of Aqua Geocomposites Limited

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

Grant Thornton UK LLP

Carl Williams (Senior statutory auditor)

for and on behalf of
Grant Thornton UK LLP

Chartered Accountants
Statutory Auditor

Liverpool

20 December 2011

Profit and loss account

For the year ended 31 October 2011

	Note	2011 £	2010 £
Turnover	1,2	**3,126,649**	2,617,288
Cost of sales		**(2,202,509)**	(1,879,560)
Gross profit		**924,140**	737,728
Administrative expenses		**(697,984)**	(667,074)
Operating profit	3	**226,156**	70,654
Interest payable and similar charges	5	**(465)**	(2,230)
Profit on ordinary activities before taxation		**225,691**	68,424
Tax on profit on ordinary activities	6	**(53,694)**	1,398
Profit for the financial year	13	**171,997**	69,822

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and loss account

The notes on pages 7 to 15 form part of these financial statements

Balance sheet

As at 31 October 2011

	Note	£	2011 £	£	2010 £
Fixed assets					
Tangible assets	7		**12,972**		59,331
Current assets					
Stocks	8	**68,770**		87,090	
Debtors	9	**572,578**		538,766	
Cash at bank		**514,447**		152,713	
		1,155,795		778,569	
Creditors. amounts falling due within one year	10	**(828,471)**		(669,601)	
Net current assets			**327,324**		108,968
Total assets less current liabilities			**340,296**		168,299
Capital and reserves					
Called up share capital	12		**600**		600
Profit and loss account	13		**339,696**		167,699
Shareholders' funds	14		**340,296**		168,299

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 December 2011

L C Smith
Director

The notes on pages 7 to 15 form part of these financial statements

Notes to the financial statements

For the year ended 31 October 2011

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK accounting standards (United Kingdom Generally Accepted Accounting Practice)

The principal accounting policies of the company remain unchanged compared with the prior year and are set out below

1.2 Cash flow

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company

1 3 Turnover

Turnover is the revenue arising from the sales of goods It is stated at the fair value of consideration receivable, net of value added tax, rebates and discounts Revenue from the sale of goods is recognised when the significant risks and benefits of ownership of the product have transferred to the buyer, which is upon shipment of the goods

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Plant & machinery	-	5 years
Motor vehicles	-	3-5 years
Computer equipment	-	3 years

1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives Assets acquired by hire purchase are depreciated over their useful lives Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company Obligations under such agreements are included in creditors net of the finance charge allocated to future periods The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

1 6 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

Notes to the financial statements

For the year ended 31 October 2011

1. Accounting policies (continued)

1 7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks

Cost of stock is based on purchased cost Net realisable value is the estimated selling price less all future costs to complete and all costs to be incurred in marketing, selling and distribution

1 8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and loss account

1 10 Pensions

The company operates a defined contribution pension scheme for employees The assets of the scheme are held separately from those of the company The annual contributions payable are charged to the profit and loss account

1.11 Current taxation

The current tax charge is based on the profit for the year and is measured at the amounts expected to be paid based on the tax rates and laws substantially enacted by the balance sheet date Current and deferred tax is recognised in the profit and loss account for the period except to the extent that it is attributable to a gain or loss that is recognised directly in the statement of total recognised gains and losses

Notes to the financial statements

For the year ended 31 October 2011

1. Accounting policies (continued)

1.12 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities under potentially unfavourable conditions In addition, contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities Shares containing such obligations are classified as financial liabilities

Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account The carrying amount of the liability is increased by the finance cost and reduced by payments made in respect of that liability Finance costs are calculated so as to produce a constant rate of charge on the outstanding liability

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities Dividends and distributions relating to equity instruments are debited directly to reserves

1.13 Patents and trademarks

Costs are charged against profits for patents and trademarks in the period in which they are incurred

2. Turnover

The turnover and profit before taxation are attributable to one activity, which is carried on in a single geographical market

Notes to the financial statements

For the year ended 31 October 2011

3. Operating profit

The operating profit is stated after charging/(crediting)

	2011	2010
	£	£
Depreciation of tangible fixed assets		
- owned by the company	**46,359**	43,646
- held under hire purchase contracts	**-**	17,764
Auditors' remuneration	**5,420**	5,380
Auditors' remuneration - non-audit	**980**	800
Operating lease rentals		
- land and building	**13,000**	13,000
Difference on foreign exchange	**(7,756)**	2,990
Staff pension contributions	**26,411**	27,411
Profit on disposal of fixed assets	**(6,000)**	(9,750)

4. Directors' remuneration

	2011	2010
	£	£
Emoluments	**157,349**	183,868
Company pension contributions to defined contribution pension schemes	**12,000**	13,388

During the year retirement benefits were accruing to 1 director (2010 - 1) in respect of defined contribution pension schemes

5. Interest payable

	2011	2010
	£	£
On finance leases and hire purchase contracts	**465**	2,230

Notes to the financial statements

For the year ended 31 October 2011

6. Taxation

	2011 £	2010 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	**61,000**	14,878
Deferred tax (see note 11)		
Origination and reversal of timing differences	**(7,306)**	(16,276)
Tax on profit on ordinary activities	**53,694**	(1,398)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2010 - higher than) the standard rate of corporation tax in the UK of 26 83% (2010 - 21%) The differences are explained below

	2011 £	2010 £
Profit on ordinary activities before tax	**225,691**	68,424
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26 83% (2010 - 21%)	**60,553**	14,369
Effects of:		
Expenses not deductible for tax purposes	**965**	232
Difference between capital allowances for year and depreciation charge	**3,540**	4,150
Adjustments to tax charge in respect of prior periods	**-**	(472)
Other timing differences leading to a decrease (increase) in taxation	**71**	(3,401)
Marginal relief	**(4,129)**	-
Current tax charge for the year (see note above)	**61,000**	14,878

Notes to the financial statements

For the year ended 31 October 2011

7. Tangible fixed assets

	Plant & machinery £	Motor vehicles £	Computer equipment £	Total £
Cost				
At 1 November 2010	13,627	370,799	11,079	395,505
Disposals	-	(54,791)	-	(54,791)
At 31 October 2011	13,627	316,008	11,079	340,714
Depreciation				
At 1 November 2010	13,627	313,508	9,039	336,174
Charge for the year	-	44,319	2,040	46,359
On disposals	-	(54,791)	-	(54,791)
At 31 October 2011	13,627	303,036	11,079	327,742
Net book value				
At 31 October 2011	-	12,972	-	12,972
At 31 October 2010	-	57,291	2,040	59,331

Included within the net book value of £12,972 (2010 £59,331) is £Nil (2010 - £25,010) relating to assets held under hire purchase agreements The depreciation charged to the financial statements in the year in respect of such assets amounted to £Nil (2010 - £17,764)

8. Stocks

	2011 £	2010 £
Raw materials	68,770	87,090

9. Debtors

	2011 £	2010 £
Trade debtors	363,846	315,021
Amounts owed by group undertakings	176,133	200,415
Prepayments and accrued income	9,017	7,054
Deferred tax asset (see note 11)	23,582	16,276
	572,578	538,766

Notes to the financial statements

For the year ended 31 October 2011

10. Creditors: Amounts falling due within one year

	2011	2010
	£	£
Net obligations under finance leases and hire purchase contracts	-	4,332
Trade creditors	445,389	357,352
Amounts owed to group undertakings	138,092	143,575
Corporation tax	60,362	15,218
Social security and other taxes	84,935	42,263
Accruals and deferred income	99,693	106,861
	828,471	669,601

The net obligations under finance leases and hire purchase contracts are secured on the assets to which they relate

11. Deferred tax asset

	2011	2010
	£	£
At beginning of year	16,276	-
Other movement	7,306	16,276
At end of year	23,582	16,276

The deferred tax asset is made up as follows

	2011	2010
	£	£
Excess of depreciation over taxation allowances	23,582	16,276

12. Share capital

	2011	2010
	£	£
Allotted, called up and fully paid		
600 Ordinary shares of £1 each	600	600

Notes to the financial statements

For the year ended 31 October 2011

13. Reserves

	Profit and loss account
	£
At 1 November 2010	167,699
Profit for the year	171,997
At 31 October 2011	339,696

14. Reconciliation of movement in shareholders' funds

	2011	2010
	£	£
Opening shareholders' funds	168,299	148,477
Profit for the year	171,997	69,822
Dividends (Note 15)	-	(50,000)
Closing shareholders' funds	340,296	168,299

15. Dividends

	2011	2010
	£	£
Dividends paid during the year, equity dividends of £Nil per ordinary share (2010 £83 33)	-	50,000

16. Contingent liabilities

The group bank overdraft facility of Aqua Fabrications Limited and Aqua Signal and Telegraphic Systems Limited, both connected undertakings, is secured by a cross guarantee and debenture over all of the assets of Aqua Geocomposites Limited As at 31 October 2011 the maximum potential liability was £Nil (2010 £Nil)

There were no other contingent liabilities at 31 October 2011 or 31 October 2010

Notes to the financial statements

For the year ended 31 October 2011

17. Operating lease commitments

At 31 October 2011 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2011	2010
	£	£
Expiry date:		
Within 1 year	**13,000**	13,000

18. Capital commitments

As at 31 October 2011 the company had capital commitments of £Nil (2010 £Nil)

19. Related party transactions

As a wholly owned subsidiary of Aqua Fabrications Limited, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by Aqua Fabrications Limited as consolidated accounts are prepared

20. Controlling party

The directors consider that the ultimate parent undertaking of this company is Aqua Fabrications Limited, which is incorporated in England and Wales This is also the company's ultimate controlling party

The largest group in which the results of the company are consolidated is that headed by Aqua Fabrications Limited The consolidated accounts of this company are available to the public and may be obtained from the company's registered office