

Aquainvest Holding Company Limited

Accounts for the Year Ended 31 March 2012

**Together with Directors' and Independent Auditor's
Reports**

Company Registration No: 5208607

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report and accounts for the year ended 31 March 2012

The Directors' Report has been prepared in accordance with the special provisions relating to small companies under section 415A of the Companies Act 2006

Principal Activities, Business Review and Risk

The Company's principal activity is that of an intermediate holding company, which the Directors expect to continue for the foreseeable future. The Directors do not consider there to be any significant risks faced by the Company as it has no debt or any other payment obligations.

Financial Results and Dividends

The Company's results are shown in the profit and loss account on page 6. The Company's results for the year ended 31 March 2012 were as expected by the Directors. The profit for the financial year ended 31 March 2012 was £20,221,000 (2011: £27,566,000). Dividends paid or proposed for the year ended 31 March 2012 amounted to £20,221,000 (2011: £27,566,000).

Going Concern

The Directors have considered the going concern assumption within the financial statements and note that the Company continues to be profitable and generate positive cash flows and consider the going concern assumption to be appropriate.

Directors

The Directors who held office during the year, and subsequently, were as follows:

Christopher Beale

Simon Riggall

Alexander William Francis Black

Adrian Peter Page

DIRECTORS' REPORT

Independent Auditor

In accordance with the Companies Act 2006, the Directors confirm that as far as they are aware, there is no relevant audit information of which the Company's auditor is unaware, and that the Board has taken all reasonable steps to make itself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

A resolution proposing the reappointment of Deloitte LLP as auditor will be put to the Board of Directors

By Order of the Board



J R Goodwin

Company Secretary

21 December 2012

Registered Office Green Lane, Walsall, West Midlands WS2 7PD

Registered in England and Wales

DIRECTORS' RESPONSIBILITIES STATEMENT

The following statement, which should be read in conjunction with the auditor's statement of its responsibilities set out in the Independent Auditor's Report, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the auditor in relation to the accounts

Company Law requires the Directors to prepare accounts 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 Under that law the Directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law)

In preparing these accounts, the Directors are required to

- Select suitable accounting policies and then apply them consistently,
- Make judgements and accounting estimates that are reasonable and prudent,
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary

The Directors confirm that they have complied with the above requirements in preparing the accounts

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 accounts 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

The Directors, having prepared the accounts, are required to provide the auditor with such information and explanation as the auditor thinks necessary for the performance of its duty

INDEPENDENT AUDITOR'S REPORT

To the member of Aquainvest Holding Company Limited

We have audited the financial statements of Aquainvest Holding Company Limited for the year ended 31 March 2012 which comprise the profit and loss account, the balance sheet and the related notes 1 to 10. 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 member, 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 member those matters we are required to state to it 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 member 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, 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 the Auditor.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give 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 Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

INDEPENDENT AUDITOR'S REPORT

Opinion on the 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 2012 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which 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 by the Company, 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
- the Directors were entitled to take advantage of the small companies exemption in preparing the Directors' Report

David Hall, FCA

David Hall FCA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

Birmingham, United Kingdom

21 December 2012

PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2012

	2012	2011
	£'000	£'000
Income from shares in UK subsidiary undertaking - Dividends receivable	20,221	27,566
Profit for the financial year	20,221	27,566

There were no other recognised gains or losses in either year other than the profit for the financial year

There is no difference between the standard rate of corporation tax of 26% and the current rate of tax for the Company in either year

A statement of movements in reserves is given in note 8 to the financial statements

The results above are all derived from continuing operations

The accompanying notes are an integral part of these financial statements

BALANCE SHEET

As at 31 March 2012

	Note	2012 £'000	2011 £'000
Fixed Assets			
Investments	4	122,502	122,502
Current Assets			
Debtors	5	631	2,513
Creditors - amounts falling due within one year	6	(631)	(2,513)
Net Current Assets		-	-
Total assets less current liabilities		122,502	122,502
Net Assets		122,502	122,502
Capital and Reserves			
Called up share capital	7	122,502	122,502
Profit and loss account	8	-	-
Shareholders' Funds	9	122,502	122,502

The accompanying notes are an integral part of these financial statements

The financial statements of Aquainvest Holding Company Limited, registered number 5208607, were approved by the Board of Directors and authorised for issue on 21 December 2012



A P Page
Director

NOTES TO THE ACCOUNTS

1. Statement of Accounting Policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

(a) Basis of Accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The accounts have been prepared on a going concern basis, the basis of which assumption is explained in the Directors' Report. The Company is a wholly owned subsidiary and its immediate parent undertaking is established under the law of a member state of the European Community. Consolidated accounts in which the accounts of the Company are included are publicly available. The Company has therefore not prepared consolidated accounts as it is exempt from doing so under Section 400(1) of the Companies Act 2006.

(b) Fixed Asset Investments

Fixed asset investments are shown at cost less provision for impairment.

(c) Taxation

Current tax is provided at amounts expected to be paid (or recovered) using current tax rates at the balance sheet date.

(d) Cash Flow Statement

Under the provisions of Financial Reporting Standard Number One, the Company has not prepared a cash flow statement because a parent company in the United Kingdom, Hydriades IV Limited, which indirectly holds more than 90% of the Company's share capital, prepares consolidated accounts each year. These consolidated accounts include the accounts of the Company for each year, contain a consolidated cash flow statement and are publicly available.

NOTES TO THE ACCOUNTS

(e) Operating Costs

Operating costs, including audit fees of £1,000 (2011 £1,000), are borne by fellow Group undertakings. There were no fees paid by the Company to the Company's auditor for non-audit services in either year.

(f) Dividends

Dividends are accrued if they have been paid or if they have been approved by shareholders before the year end.

(g) Related Party Disclosures

As at 31 March 2012, the Company was an indirectly wholly owned subsidiary undertaking of Hydriades IV Limited. As such, the Company has taken advantage of the exemption in Financial Reporting Standard 8 "Related Party Disclosures" from disclosing transactions with other members of the Group headed by Hydriades IV Limited, as consolidated financial statements for this Company are prepared each year, in which the accounts of the Company are included, are publicly available. The Company has no other related party transactions requiring disclosure.

2. Directors' Remuneration

None of the Directors who served during the year or the preceding year received any remuneration from the Company as Directors of the Company. Remuneration paid by other Group companies for the services of certain Directors during the period of service as a Director of the Company amounted to £377,000 (year ended 31 March 2011 £187,000).

NOTES TO THE ACCOUNTS

3. Dividends

	2012 £'000	2011 £'000
Ordinary interim dividends paid of 16 0p (2011 20 5p) per share	19,590	25,053
Ordinary final dividends payable of 0 5p (2011 2 1p) per share	631	2,513
	20,221	27,566

4. Fixed Asset Investments

Cost and Net Book Value	£'000
At 1 April 2011 and 31 March 2012	122,502

Details of the Company's directly held investment, which is incorporated in England and Wales, at 31 March 2012 are provided below

Name:	Class of Shares	Proportion of shares held	Nature of Business
Aquainvest Acquisitions Limited	Ordinary	100%	Holding Company

Details of the Company's principal indirectly held investments at 31 March 2012 are provided below. With the exception of Onsite India Private Limited which is registered in India, all of the investments are registered in England and Wales or Northern Ireland.

NOTES TO THE ACCOUNTS

Name	Proportion of Shares Held	Nature of Principal Business
South Staffordshire Plc	100%	Holding company
South Staffordshire Water PLC	100%	Regulated water supply
Cambridge Water PLC	100%	Regulated water supply
Office Watercoolers Limited	90%	Rental of water cooling units and sale of spring water
Echo Managed Services Limited	100%	Customer management
Echo Northern Ireland Limited	100%	Customer management
Inter-Credit International Limited	100%	Customer credit management
Omega Red Group Limited	90%	Electrical earthing and lightning protection, installation, testing and maintenance services
SSI Services (UK) Limited	100%	Holding company for those companies listed below
Onsite Central Limited	100%	Sewer inspection, relining, drainage, surveying and flow monitoring
Perco Engineering Services Limited	100%	Trenchless installation and refurbishment of pipeline networks
Onsite India Private Limited	100%	Sewer inspection, relining, drainage, surveying and flow monitoring
Data Contracts Specialist Maintenance Limited	100%	Specialist infrastructure maintenance
Integrated Water Services Limited	100%	Clean water asset installation, repair, maintenance and refurbishment services and water hygiene services
Hydrosave UK Limited	100%	Water main leak detection services and clean water network management services
Hydrosave Pipeline Technologies Limited	100%	Non-destructive testing of clean water pipelines

NOTES TO THE ACCOUNTS

5. Debtors

	2012 £'000	2011 £'000
Amounts recoverable within one year:		
Amounts owed by other Group undertakings -		
Dividends receivable	631	2,513
	631	2,513

6. Creditors – amounts falling due within one year

	2012 £'000	2011 £'000
Amounts owed to other Group undertakings - Dividend		
Payable	631	2,513
	631	2,513

7. Share Capital

	2012 £'000	2011 £'000
Authorised		
125,000,000 ordinary shares of £1 each	125,000	125,000
Issued, called up and fully paid		
122,502,121 ordinary shares of £1 each	122,502	122,502

8. Profit and Loss Account

	£'000
Balance at 1 April 2011	-
Profit for the financial year	20,221
Dividends (Note 3)	(20,221)
Balance at 31 March 2012	-

NOTES TO THE ACCOUNTS

9. Reconciliation of Movements in Shareholders' Funds

	2012 £'000	2011 £'000
Profit for the financial year	20,221	27,566
Dividends (Note 3)	(20,221)	(27,566)
Net addition to shareholders' funds	-	-
Opening shareholders' funds	122,502	122,502
Closing shareholders' funds	122,502	122,502

10. Ultimate Controlling Party

The immediate parent company is Aquainvest Ventures Limited, which is registered in England and Wales. The ultimate parent undertaking in the United Kingdom is Hydriades IV Limited. The ultimate controlling party is Alinda Capital Partners LLC, a company registered in the United States of America. The accounts of the Company for the year ended 31 March 2012 are consolidated in the accounts of Hydriades IV Limited as at 31 March 2012, being the smallest and largest UK group in which the Company's accounts are consolidated, a copy of which can be obtained from its registered address, Green Lane, Walsall, WS2 7PD.