

Aquainvest Holding Company Limited

Accounts for the Year Ended 31 March 2015

**Together with the Strategic, the Directors'
And**

The Independent Auditor's Reports

Company Registration No: 5208607

THURSDAY



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STRATEGIC REPORT

Principal Activities

The Company's principal activity is that of an intermediate holding company.

Financial Review

The Company's results for the year ended 31 March 2015 were as expected by the Directors with dividend income from shares in subsidiary companies funding dividends paid to the Company's parent. As an intermediary holding company the directors do not consider there to be any key performance indicators relevant to company.

Risk Management and Governance

There is an established risk management and internal control framework in place within the Company. The Directors believe the most significant risk faced by the Company is the financial performance of its subsidiaries. The Directors believe all the significant risks faced by the Company are appropriately managed.

The Strategic Report was approved by the Board of Directors on 14 December 2015.



A P Page
Director

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and accounts for the year ended 31 March 2015.

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

Financial Results and Dividends

The Company's results are shown in the profit and loss account on page 7. The profit after tax for the year amounted to £25,917,000 (2014: £13,947,000). The Company made dividend payments of £25,917,000 in the year ended 31 March 2015 (2014: £13,947,000).

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 expect this to continue for at least 12 months from the date of signing of these financial statements and therefore consider the going concern assumption to be appropriate.

Directors

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

Adrian Peter Page

Jesús Olmos Clavijo

Ram Saradchandra Kumar

Guido Mitrani

Independent Auditor

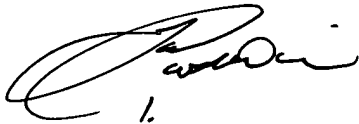
In accordance with s418 of the Companies Act 2006, the Directors confirm that as far as they are aware, there is no relevant audit information of which the Company's auditor is unaware, and that the Board has taken all reasonable steps to make itself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

DIRECTORS' REPORT

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

By Order of the Board

A handwritten signature in black ink, appearing to read 'J R Goodwin', with a small '1.' written below it.

J R Goodwin

Company Secretary

14 December 2015

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 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 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.

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.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors, having prepared the financial statements, 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 2015 which comprise the profit and loss account, the balance sheet and the related notes 1 to 8. 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 (APB'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 Strategic and Directors' Reports 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

INDEPENDENT AUDITOR'S REPORT

become aware of any apparent material misstatements or inconsistencies we consider the implications for our 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 2015 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 Strategic and Directors' Reports 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; or
- 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.

24 December 2015

PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2015

	2015	2014
	£'000	£'000
Income from shares in UK subsidiary undertaking - Dividends receivable	25,917	13,947
Profit for the financial year	25,917	13,947

The results above are all derived from continuing operations.

There were no other recognised gains or losses in either year other than the profit for the financial year. Accordingly, no separate statement of realised gains and losses has been presented.

A statement of movements in reserves is given in note 6 to the financial statements.

The current rate of corporation tax is Nil% (2014: Nil%) with the difference between the standard rate of tax of 21% (2014: 23%) and the current tax rate being due to dividends from UK subsidiaries not being chargeable to UK corporation tax.

The accompanying notes are an integral part of these financial statements.

BALANCE SHEET

As at 31 March 2015

	Note	2015 £'000	2014 £'000
Fixed Assets			
Investments	4	122,502	122,502
		122,502	122,502
 Total assets		122,502	122,502
 Net Assets		122,502	122,502
 Capital and Reserves			
Called up share capital	5	122,502	122,502
Profit and loss account	6	-	-
Shareholders' Funds	7	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 14 December 2015.



A P Page
Director

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of Accounting Policies

The principal accounting policies are summarised below, which 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 directors have considered the assumptions for preparing the accounts on a going concern basis. These are set out 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) Taxation

Current tax is provided at amounts expected to be paid (or recovered) using current tax rates at the balance sheet date. Where it is agreed that the Company will not be paid for tax losses surrendered to other Group undertakings, no credit is reflected for tax losses in the profit and loss account.

(c) Dividends

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

(d) Cash Flow Statement

Under the provisions of Financial Reporting Standard 1 "Cash Flow Statements", the Company has not prepared a cash flow statement because a parent company, Hydiades IV Limited, which indirectly holds more than 90% of the Company's share capital, has prepared consolidated accounts as at 31 March 2015, which include the accounts of the Company, which contain a consolidated cash flow statement and are publicly available.

NOTES TO THE FINANCIAL STATEMENTS

(e) Operating Costs

Operating costs, including audit fees of £1,000 (2014: £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) Fixed Asset Investments

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

(g) Related Party Disclosures

As at 31 March 2015, 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, and 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 Directors of the Company amounted to £336,000 (year ended 31 March 2014: £621,000).

3. Dividends

	2015 £'000	2014 £'000
Ordinary interim dividends paid of 21.2p (2014: 11.4p) per share	25,917	13,947

NOTES TO THE FINANCIAL STATEMENTS

4. Fixed Asset Investments

Cost and Net Book Value **£'000**

At 1 April 2014 and 31 March 2015 122,502

Details of the Company's directly held investment, which is incorporated in England and Wales, at 31 March 2015 are provided below:

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

As at 31 March 2015, the Company's principal subsidiary undertakings, all of which are incorporated in the United Kingdom with the exception of Echo India Private Limited, which is incorporated in India and Onsite Utility Services Canada Limited, which is incorporated in Canada, and all of which have only ordinary shares in issue, were as follows:

NOTES TO THE FINANCIAL STATEMENTS

Name	Proportion of Shares Held	Nature of Principal Business
South Staffordshire Plc	100%	Holding company and management services
South Staffordshire Water PLC	100%	Regulated water supply
Aqua Direct Limited	100%	Supply of spring and mineral water
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
Grosvenor Services Group Limited	100%	Customer credit management
Echo India Private Limited	100%	Software development support services to UK parent company
SSI Services (UK) Limited	100%	Holding company for those companies listed below
Onsite Central Limited	100%	Sewer and wastewater asset inspection, relining, surveying, cleaning and flow monitoring
Onsite Utility Services Canada Limited	100%	Sewer inspection, relining, drainage, surveying and flow monitoring
Perco Engineering Services Limited	100%	Trenchless installation and refurbishment of pipeline networks
Onsite Specialist Maintenance Limited	100%	Specialist infrastructure maintenance
Integrated Water Services Limited	100%	Clean water asset installation, repair, maintenance and refurbishment, mechanical and electrical 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 FINANCIAL STATEMENTS

Other subsidiaries of the Company as at 31 March 2015, which were all non-trading companies as at that date, were as follows:

365 Environmental Services Limited	Ion Water and Environmental Management Limited	Rapid Systems Limited
Aquaven Limited	IWS M&E Services Limited	Recoup Revenue Management Limited
Brocol Consultants Limited	IWS Pipeline Services Limited	South Staffordshire Infrastructure Services Limited
Cambridge Water Plc	IWS Water Hygiene Services Limited	South Staffordshire Water Holdings Limited
Data Contracts Specialist Maintenance Limited	Lingard Limited	Subaqua Solutions Limited
Debt Action Limited	Onsite Water & Wastewater Services WLL	Wells Water Treatment Services Limited
Greenacre Pumping Systems Limited	Portadam Limited	Woodside Environmental Services Limited
Grosvenor Legal Services Limited	Pump Services Limited	

5. Share Capital

	2015 £'000	2014 £'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

NOTES TO THE FINANCIAL STATEMENTS

6. Profit and Loss Account

	£'000
Balance at 1 April 2014	-
Profit for the financial year	25,917
Dividends (note 3)	(25,917)
Balance at 31 March 2015	-

7. Reconciliation of Movements in Shareholders' Funds

	2015 £'000	2014 £'000
Profit for the financial year	25,917	13,947
Dividends (note 3)	(25,917)	(13,947)
Net change to shareholders' funds	-	-
Opening shareholders' funds	122,502	122,502
Closing shareholders' funds	122,502	122,502

8. 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 which is registered in England and Wales. The ultimate controlling party is KKR Infrastructure Limited. The accounts of the Company, for the year ended 31 March 2015, are consolidated in the accounts of Hydriades IV Limited (being the smallest and largest UK group in which the Company's accounts are consolidated), which can be obtained from its registered address, Green Lane, Walsall, WS2 7PD.