245695

Aqua Capital Limited

Report and Financial Statements

30 November 2007

Registered No 248695

Directors
R McMahon
C Carlier

Secretary
R Loveridge

Auditors
Ernst & Young LLP
Apex Plaza
Reading
RG1 1YE

Bankers
Barclays
1 Churchill Place
London
E14 5HP

Solicitors
Macfarlanes
10 Norwich Street
London
EC4A 1BD

Registered Office
3 The Stables
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Crowmarsh Gifford
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Oxfordshire
England
OX10 8BA

Directors' report

The directors present their report and financial statements for the year ended 30 November 2007

Principal activities and review of the business

The principal activities of the company during the year, as in 2006, were the provision of services to other group companies and the sub-letting of its remaining leasehold premises The company has also earned interest on balances loaned to other Group companies

Results and dividends

The loss for the year amounted to £46,000 (2006 £547,000 profit) The directors do not recommend the payment of any dividends (2006 £nil)

Directors

The directors who served the company during the year were as follows

R McMahon
C von Grolman
C Carlier

C von Grolman resigned as a director on 4 April 2007
R McMahon was appointed as a director on 4 April 2007

No director serving at 30 November 2007 had any interest required to be disclosed under Schedule 7 of the Companies Act 1985

Principal risks and uncertainties

The principal uncertainty relating to the company is with regard to the un-let office space it is marketing and the length of time it will remain empty The principal risk to the company is that the eventual rental void will exceed that anticipated and provided for This is not a new risk and is managed by frequent reviews, using external consultants where required

Liquidity risk

The company funds its net expenses through interest and loan repayments from its holding company Sufficient cash is held to fund short term operations

Interest rate risk

The company has a cash balance of £132,000 (2006 £511,000) which earns interest at a variable rate Due to the amounts involved the directors consider the interest rate risk in respect of these balances to be minimal

The company has a loan to its holding company of £3,833,000 (2006 £4,105,000) which earns interest at a variable rate The directors do not consider this to be a risk to the company as the amount of interest received is not critical to the company's funding

The company has no external loans or other financial liabilities

Currency risk

The directors consider that there is no currency risk to the company as all its transactions, assets, and liabilities are in UK pounds sterling

Directors' report

Credit risk

There is a risk of financial loss to the company arising from a failure by the company's principal customer The company manages this situation by close monitoring of credit levels and management are of the view that the risk is at an acceptable level

Directors' qualifying third party indemnity provisions

The Company's parent has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985 Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report

Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1 Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware, and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information

Auditors

A resolution to reappoint Ernst & Young LLP as the company's auditors will be put to the members at the Annual General Meeting

On behalf of the Board

R McMahon
Director
Date 3rd March 2008

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 United Kingdom law and United Kingdom Generally Accepted Accounting Practice

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) The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the Company's profit or loss for the period In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985 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 auditors' report

to the members of Aqua Capital Limited

We have audited the company's financial statements for the year ended 30 November 2007 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, and the related notes 1 to 18 These financial statements have been prepared under the accounting policies set out therein

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985 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 auditors' 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 auditors

The directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Directors' Responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the financial statements give a true and fair view, are properly prepared in accordance with the Companies Act 1985 and that the information given in the Directors' Report is consistent with the financial statements

We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

Independent auditors' report

to the members of Aqua Capital Limited (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 November 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Reading

Date 6 March 2008

Profit and loss account

for the year ended 30 November 2007

	Note	2007 £'000	2006 £'000
Turnover			
Turnover - continuing operations	2	136	127
Cost of sales		136	127
Gross profit		-	-
Administrative expenses		609	43
Other operating income	3	(205)	(160)
Operating (loss)/profit	4	(404)	117
Interest receivable	7	291	237
(Loss)/profit on ordinary activities before taxation		(113)	354
Tax on (loss)/profit on ordinary activities	8	67	193
(Loss)/profit for the financial year		(46)	547

Statement of total recognised gains and losses

There are no recognised gains or losses other than the loss of £46,000 attributable to the shareholders for the year ended 30 November 2007 (2006 £547,000 gain)

Balance sheet

as at 30 November 2007

	Note	2007 £'000	2006 £'000
Fixed assets			
Tangible Assets	9	72	-
Current assets			
Debtors	10	4330	4,255
Cash at bank		132	511
		4,462	4,766
Creditors: amounts falling due within one year	11	230	242
Net current assets		4,232	4,524
Total assets less current liabilities		4,304	4,524
Provisions for liabilities and charges			
Provisions for liabilities and charges	12	3,006	3,180
		1,298	1,344
Capital and Reserves			
Called up share capital	15	30	30
Profit and loss account	16	1,268	1,314
Equity shareholders' funds	16	1,298	1,344

By order of the Board

R McMahon
Director

Date 3rd March 2008

Notes to the financial statements

at 30 November 2007

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards

Cash flow statement

Holland Americas Investment Corporation NV, an intermediate parent company, publishes a consolidated cash flow statement which includes the cash flows of the company The company has therefore taken advantage of the exemption granted by FRS1 (revised) "Cash Flow Statements" to not present a cash flow statement

Related parties transactions

The company is a wholly owned subsidiary of Holland Americas Investment Corporation NV the consolidated accounts of which are publicly available

Fixed assets

All fixed assets are initially recorded at cost The carrying values of tangible fixed assets are reviewed for impairment if events change or changes in circumstances indicate the carrying value may not be recoverable

Depreciation

Depreciation of property improvements is written off over the term of the lease

Stocks

The company did not hold any stocks during the year ended 30 November 2007 (2006 £nil)

Taxation

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies

Assets and liabilities denominated in foreign currencies for which forward exchange contracts are held are translated at the rate of the forward contract

Notes to the financial statements

at 30 November 2007

Other assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date Transactions denominated in foreign currencies entered into during the year are translated at the rate ruling at the date of the transaction

All differences in exchange arising from translation of foreign currencies are taken to the profit and loss account

Operating lease agreements
Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

Pension costs
The company participates in a multi-employer defined benefit pension scheme, which requires contributions to be made to separately administered funds Prior to 2003, contributions were charged in the profit and loss account so as to spread the cost of pensions over the employees' working lives within the company The regular cost is attributed to individual years using the projected unit credit method Variations in pension cost, which are identified as a result of actuarial valuations, are amortised over the average expected remaining working lives of employees in proportion to their expected payroll costs

Differences between the amounts funded and the amounts charged in the profit and loss account were treated as either provisions or prepayments in the balance sheet

When employees transferred on the sale of operations to a third party in November 2003, their active membership of the scheme was terminated, they retain rights to benefits as deferred pensioners To eliminate uncertainty regarding the maximum amount of its liability, the company entered into an agreement with the main employer in the scheme whereby payments will be made up to a pre-determined maximum amount into the scheme, and subject to the requirements of the pension legislation any further liability arising will be borne by the main employer The commitment of the company under this arrangement has therefore replaced the actuarially calculated share of net pension funding liability in the accounts from 2003

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to other group companies for services supplied within the United Kingdom

An analysis of the turnover is given below

	2007	*2006*
	£'000	*£'000*
Services (all UK)	136	127
	136	127

3. Other operating income

Other operating income in 2006 and 2007 represents rental income from sub-letting of leasehold office premises

Notes to the financial statements

at 30 November 2007

4. Operating (loss)/profit

This is stated after charging	*2007* *£'000*	*2006* *£'000*
Audit of the financial statements	6	6
	6	6

No fees were paid to the auditors for any other work

5. Staff costs

	2007 *£'000*	*2006* *£'000*
Wages and salaries	115	106
Social security costs	11	10
Pension costs (note 16)	10	11
	136	127

The monthly average number of employees during the year was as follows

	2007 *No*	*2006* *No*
Administrative staff	2	2
	2	2

6. Directors' emoluments

The directors of the company are also directors of other group companies The directors' services to the company do not occupy a significant amount of their time As such the directors do not consider that they received any remuneration for their incidental services to the company for the years ended 30 November 2007 and 30 November 2006

7. Interest receivable

	2007 *£'000*	*2006* *£'000*
Bank interest receivable	22	1
Interest receivable from group companies	269	236
	291	237

Notes to the financial statements

at 30 November 2007

8. Tax

(a) Tax on (loss)/profit on ordinary activities

The tax/(credit) is made up as follows	*2007*	*2006*
	£'000	*£'000*
Current tax		
UK corporation tax	2	46
Adjustments in respect of previous years	(69)	(239)
Total current tax	(67)	(193)

(b) Factors affecting current tax charge

The differences are reconciled below	*2007*	*2006*
	£'000	*£'000*
(Loss)/profit on ordinary activities before taxation	(113)	354
(loss)/Profit on ordinary activities at UK rate of 30% (2006 30%)	(34)	106
Other timing differences	36	(60)
Prior year adjustment	(69)	(239)
Total current tax	(67)	(193)

(c) Deferred tax

It is the group's policy to pay for tax losses surrendered to mitigate the profits and chargeable gains of group members for compensation equal to either 100% or 90% of the value of the tax benefit

There is a deferred tax asset of £515,000 (2006 £586,000) relating to provisions and losses Given that it is unlikely that there will be any suitable profits to set the asset against, these have not been provided for £488,000 and £27,000 relate to short term timing differences and losses respectively (2006 £497,000 and £89,000)

9. Tangible fixed assets

	Leasehold property improvements
Cost	
Additions	*76*
At 30 November 2007	76
Depreciation	
At 30 November 2007	*4*
At 30 November 2007	4
Net Book Value	
At 30 November 2007	*72*

Notes to the financial statements

at 30 November 2007

10. Debtors

	2007 £'000	2006 £'000
Amounts owed by group undertakings	3,981	4,120
Other debtors	264	72
Prepayments and accrued income	85	63
	4,330	4,255

11. Creditors: amounts falling due within one year

	2007 £'000	2006 £'000
Trade creditors	3	-
Amounts owed to group undertakings	2	5
Accruals and deferred income	225	237
	230	242

12. Provisions for liabilities and charges

	Pension £'000	Onerous lease £'000	Total £'000
At 30 November 2006	1,400	1,780	3,180
Utilised in the year	(200)	(249)	(449)
Arising in year	275	-	275
At 30 November 2007	1,475	1,531	3,006

The provision in respect of onerous lease obligations has been reviewed and adjusted to a more realistic level in light of current market conditions and the condition of the building Costs were expensed during the year, and the provision is expected to be released over the next 2 5 years

Payments to defray the pension fund deficit will be made at a rate of 200k plus RPI over the next 9 years

Notes to the financial statements

at 30 November 2007

13. Commitments under operating leases

At 30 November 2007 the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings	
	2007	*2006*
	£'000	*£'000*
Operating leases which expire		
- in over five years	480	480
	480	480

14. Contingent liability

Performance bonds and guarantees were all closed as at 30 November 2007 These cleared in the normal course of business (2006 £212,000)

15. Share capital

	2007	*2006*
	£'000	*£'000*
Authorised		
Ordinary shares of £1 each	30	30

	2007	*2007*	*2006*	*2006*
	No	*£'000*	*No*	*£'000*
Allotted, called up and fully paid				
Ordinary shares of £1 each	30,000	30	30,000	30

16. Reconciliation of shareholders' funds and movement on reserves

	Share capital	*Profit and loss account*	*Total share-holders' funds*
	£'000	*£'000*	*£'000*
At 30 November 2005	30	767	797
Profit for the year	-	547	547
At 30 November 2006	30	1,314	1,344
Loss for the year	-	(46)	(46)
At 30 November 2007	30	1,268	1,298

Notes to the financial statements

at 30 November 2007

17. Pension commitments

The company participates in a defined benefits scheme, together with other group companies, within which Sterling Fluid Services Limited is the main employer On the sale of ongoing operations in November 2003, all employees with the exception of one director transferred to the buying company, and became deferred pensioners within the existing scheme To cover the deficit which would otherwise have remained as a liability, the company entered into an agreement with the main employer within the scheme whereby in consideration of a commitment by the company to make payments of up to £2,000,000 into the scheme over a period of 10 years, or until the deficit is extinguished This agreement has been renegotiated during 2007 and payments of £200,000 plus RPI will be made into the fund for a period of nine years and one month

Payments of £200,000 per year against this commitment were made in 2006 and 2007, further payments of £200,000 plus RPI will be made during 2008 The balance at year-end is recognised by a separate provision in the 2007 financial statements

18. Ultimate parent company

The immediate parent undertaking for which group financial statements are prepared is Holland Americas Investment Corporation NV ('HAIC') which is a subsidiary undertaking of TBG Holdings NV, the ultimate parent HAIC is incorporated in the Netherlands A copy of the financial statements of the parent can be obtained from Bavinckstaete Prof Bavincklaan, 1183 AT, Amstelveen, Netherlands

The company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investees of the HAIC group