

Aqua Capital Limited

Report and Financial Statements

30 November 2008

TUESDAY



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COMPANIES HOUSE

Aqua Capital Limited

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
Howbery Park
Crowmarsh Gifford
Wallingford
Oxfordshire
England
OX10 8BA

Directors' report

The directors present their report and financial statements for the year ended 30 November 2008.

Principal activities and review of the business

The principal activities of the company during the year, as in 2007, 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 £554,000 (2007: £46,000 loss). The directors do not recommend the payment of any dividends (2007: £nil).

Directors

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

R McMahon
C Carlier

No director serving at 30 November 2008 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 £226,000 (2007: £132,000) 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 £3,500,000 (2007: £3,833,000) 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:

27/3/09

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 2008 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

for the year ended 30 November 2008

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 2008 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
Registered Auditor
Reading

Date: 17 April 2009

Profit and loss account

to the members of Aqua Capital Limited

	<i>Note</i>	<i>2008</i> <i>£'000</i>	<i>2007</i> <i>£'000</i>
Turnover			
Turnover - continuing operations	2	136	136
		<hr/>	<hr/>
	2	136	136
Cost of sales		136	136
		<hr/>	<hr/>
Gross profit		-	-
		<hr/>	<hr/>
Administrative expenses		1,079	609
Other operating income	3	(209)	(205)
		<hr/>	<hr/>
Operating (loss)/profit	4	(870)	(404)
Interest receivable	7	256	291
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation		(614)	(113)
Tax on (loss)/profit on ordinary activities	8	60	67
		<hr/>	<hr/>
(Loss)/profit for the financial year		(554)	(46)
		<hr/>	<hr/>

Statement of total recognised gains and losses

There are no recognised gains or losses other than the loss of £554,000 attributable to the shareholders for the year ended 30 November 2008 (2007: £46,000 loss).

Balance Sheet

at 30 November 2008

	Note	2008 £'000	2007 £'000
Fixed assets			
Tangible Assets	9	56	72
Current assets			
Debtors	10	3,792	4,330
Cash at bank		226	132
		4,018	4,462
Creditors: amounts falling due within one year	11	223	230
Net current assets		3,795	4,232
Total assets less current liabilities		3,851	4,304
Provisions for liabilities and charges			
Provisions for liabilities and charges	12	3,107	3,006
		744	1,298
Capital and Reserves			
Called up share capital	15	30	30
Profit and loss account	16	714	1,268
Equity shareholder's funds	16	744	1,298

By order of the Board

R McMahon
Director

Date:

27/3/09

Notes to the financial statements

at 30 November 2008

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 2008 (2007: £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 2008

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 was attributed to individual years using the projected unit credit method. Variations in pension cost, which are identified as a result of actuarial valuations, were 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:

	2008 £'000	2007 £'000
Services (all UK)	136	136
	<u>136</u>	<u>136</u>

3. Other operating income

Other operating income in 2007 and 2008 represents rental income from sub-letting of leasehold office premises.

Notes to the financial statements

at 30 November 2008

4. Auditors remuneration

This is stated after charging:

	2008 £'000	2007 £'000
Audit of the financial statements	6	6
	<u>6</u>	<u>6</u>

No fees were paid to the auditors for any other work.

5. Staff costs

	2008 £'000	2007 £'000
Wages and salaries	113	115
Social security costs	13	11
Pension costs (note 17)	10	10
	<u>136</u>	<u>136</u>

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

	2008 No.	2007 No.
Administrative staff	2	2
	<u>2</u>	<u>2</u>

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 2008 and 30 November 2007.

7. Interest receivable

	2008 £'000	2007 £'000
Bank interest receivable	-	22
Interest receivable from group companies	256	269
	<u>256</u>	<u>291</u>

Notes to the financial statements

at 30 November 2008

8. Tax

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

The tax/(credit) is made up as follows:

	2008 £'000	2007 £'000
<i>Current tax:</i>		
UK corporation tax	-	2
Adjustments in respect of previous years	(60)	(69)
Total current tax	(60)	(67)

(b) Factors affecting current tax charge

The differences are reconciled below:

	2008 £'000	2007 £'000
(Loss)/profit on ordinary activities before taxation	(614)	(113)
(Loss)/Profit on ordinary activities at UK effective rate of 28.67% (2007: 30%)	(176)	(34)
Other timing differences	176	36
Prior year adjustment	(60)	(69)
Total current tax	(60)	(67)

The finance act 2007 has reduced the rate of UK corporation tax from 30% to 28% as from 1 April 2008. The effect of this change has been to reduce the company's effective tax rate to 28.67% for the year ended 30 November 2008. The potential deferred tax asset has been stated at the new rate of 28% (2007: 30%).

(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 £627,000 (2007: £515,000) 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 recognised. £428,000 and £199,000 relate to short term timing differences and losses respectively (2007: £488,000 and £27,000).

9. Tangible fixed assets

Leasehold property improvements

Cost:	
At 1 December 2007	76
Disposals	(1)
At 30 November 2008	75
Depreciation	
At 1 December 2007	4
Depreciation charged during the year	15
At 30 November 2008	19
Net Book Value	
At 30 November 2007	72

Notes to the financial statements

at 30 November 2008

At 30 November 2008

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10. Debtors

	2008	2007
	£'000	£'000
Amounts owed by group undertakings	3,672	3,981
Other debtors	71	264
Prepayments and accrued income	49	85
	<u>3,792</u>	<u>4,330</u>

11. Creditors: amounts falling due within one year

	2008	2007
	£'000	£'000
Trade creditors	-	3
Amounts owed to group undertakings	23	2
Accruals and deferred income	200	225
	<u>223</u>	<u>230</u>

12. Provisions for liabilities and charges

	Pension	Onerous lease	Total
	£'000	£'000	£'000
At 30 November 2007	1,475	1,531	3,006
Utilised in the year	(207)	-	(207)
Arising in year	194	114	308
At 30 November 2008	<u>1,462</u>	<u>1,645</u>	<u>3,107</u>

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 an annual rate of £207,000 plus RPI over the next 8 years.

Notes to the financial statements

at 30 November 2008

13. Commitments under operating leases

At 30 November 2008 the company had annual commitments under non-cancellable operating leases as set out below:

	<i>Land and buildings</i>	
	<i>2008</i>	<i>2007</i>
	<i>£'000</i>	<i>£'000</i>
<i>Operating leases which expire:</i>		
- in 2 to 5 years	480	-
- in over five years	-	480
	<u>480</u>	<u>480</u>

14. Contingent liability

Performance bonds and guarantees were all closed as at 30 November 2008.

15. Share capital

			2008 £'000	2007 £'000
<i>Authorised</i>				
Ordinary shares of £1 each			30	30
			<u> </u>	<u> </u>
	2008 No.	2008 £'000	2007 No.	2007 £'000
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	30,000	30	30,000	30

16. Reconciliation of shareholders' funds and movement on reserves

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total share-holders' funds</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
At 30 November 2006	30	1,314	1,344
Loss for the year	-	(46)	(46)
	<u>30</u>	<u>1,268</u>	<u>1,298</u>
At 30 November 2007	30	1,268	1,298
Loss for the year	-	(554)	(554)
	<u>30</u>	<u>714</u>	<u>744</u>
At 30 November 2008	30	714	744

Notes to the financial statements

at 30 November 2008

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 to make annual payments of up to £2,000,000 into the scheme over a period of 10 years, or until the deficit is extinguished. This agreement was renegotiated during 2007 and annual payments of £200,000 plus RPI will be made into the fund for a period of nine years and one month.

During the year payments of £207,000 (2007: £200,000) were made against this commitment: further payments of £207,000 plus RPI will be made during 2009. The balance at year-end is recognised by a separate provision in the 2008 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.

