

Enviroflo Engineering Limited
FINANCIAL STATEMENTS
31 DECEMBER 2010

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Enviroflo Engineering Limited
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

CONTENTS	PAGE
Officers and professional advisers	1
The directors' report	2
Statement of directors' responsibilities	4
Independent auditors' report to the members	5
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9

Enviroflo Engineering Limited
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	C R Lee D Johnson J Smith
Company secretary	W Joyce
Registered office	P O Box 11 Winnington Avenue Northwich Cheshire CW8 4DX
Statutory Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 101 Barbirolli Square Manchester M2 3PW
Solicitors	Eversheds 70 Great Bridgewater Street Manchester M1 5ES

Enviroflo Engineering Limited

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2010

The directors have pleasure in presenting their report and the audited financial statements of the company for the year ended 31 December 2010

The directors' report has been prepared in accordance with the provisions of the Companies Act 2006 relating to small companies

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The only activity undertaken by Enviroflo Engineering Limited is dust control contracting

FINANCIAL RISK MANAGEMENT POLICY

The company's principal financial instruments comprise cash and cash equivalents. Other financial assets and liabilities, such as trade debtors and trade creditors, arise directly from the company's operating activities. The main purpose of these financial assets is to provide finance for the company's ongoing operations.

The main risks associated with the company's financial assets and liabilities are interest rate risk, liquidity risk, credit risk and currency risk as summarised below

Interest rate risk

The company does not have any external debt. The company has lendings and borrowings with other group undertakings at a floating rate of interest. During the period, the interest rate exposure was reviewed but it was not deemed necessary to cover the interest rate exposure by any financial instruments.

Credit risk

The company's policy is to require assessments of customers such that deferred terms are only granted where an appropriate payment history is demonstrated and credit worthiness procedures are satisfied.

Cashflow and liquidity risk

The company's activities are financed from long terms loans from other group companies and cash. The company mitigates liquidity risk by managing cash generation from its operations.

A central treasury team operates at a European level, controlling all borrowing facilities, investment of surplus funds and the management of financial risks for the company and its fellow subsidiaries.

Currency risk

The company operates under a global policy to manage intercompany lendings and borrowings in foreign currencies. During the period, the currency exposure was reviewed but it was not deemed necessary to cover the currency exposure by any financial instruments.

Enviroflo Engineering Limited
THE DIRECTORS' REPORT (continued)
YEAR ENDED 31 DECEMBER 2010

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £249,000 (2009: £146,000)

The directors have not recommended a dividend (2009 £nil)

DIRECTORS

The directors who served the company during the year are listed on page 1

There are no directors' interests requiring disclosure under the Companies Act 2006

DISCLOSURE OF INFORMATION TO AUDITORS

So far as each director is aware

- (a) There is no relevant audit information of which the company's auditors are unaware; and
- (b) Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

The directors' report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies

Registered office
P O Box 11
Winnington Avenue
Northwich
Cheshire
CW8 4DX

Signed on behalf of the directors


W Joyce

Company Secretary

Approved by the directors on 10 Nov 2011

Enviroflo Engineering Limited
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 31 DECEMBER 2010

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 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,
- 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.

Enviroflo Engineering Limited
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ENVIROFLO
ENGINEERING LIMITED
YEAR ENDED 31 DECEMBER 2010

We have audited the financial statements of Enviroflo Engineering Limited for the year ended 31 December 2010 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).

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities set out on page 4, 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. This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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.

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 December 2010 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.

Enviroflo Engineering Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ENVIROFLO ENGINEERING LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2010

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 prepare the directors' report in accordance with the small company regime



Nicholas Gower (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
10 NOV 2011

Enviroflo Engineering Limited
COMPANY NUMBER 1463262

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2010

	Note	2010 £000	2009 £000
TURNOVER	2	372	243
Cost of sales		<u>(264)</u>	<u>(169)</u>
GROSS PROFIT		108	74
Distribution expenses		(216)	(146)
Administrative expenses		<u>-</u>	<u>(1)</u>
OPERATING LOSS	3	(108)	(73)
Interest receivable and similar income	5	20	131
Interest payable and similar charges	6	(2)	(5)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(90)</u>	<u>53</u>
Tax on (loss)/profit on ordinary activities	7	339	93
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>249</u>	<u>146</u>

The above represents the results from continuing operations

There are no recognised gains or losses other than the profit of £249,000 attributable to the shareholders for the year ended 31 December 2010 (2009 - profit of £146,000)

The notes on pages 9 to 17 form part of these financial statements

Enviroflo Engineering Limited
COMPANY NUMBER 1463262

BALANCE SHEET

31 DECEMBER 2010

	Note	2010 £000	2009 £000
FIXED ASSETS			
Intangible assets	8	202	202
Tangible assets	9	8	11
Investments	10	1,001	1,001
		<u>1,211</u>	<u>1,214</u>
CURRENT ASSETS			
Debtors	11	4,859	4,849
Cash at bank		8	58
		<u>4,867</u>	<u>4,907</u>
CREDITORS: Amounts falling due within one year	12	<u>(88)</u>	<u>(380)</u>
NET CURRENT ASSETS		<u>4,779</u>	<u>4,527</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,990</u>	<u>5,741</u>
CREDITORS : Amounts falling due after more than one year	13	<u>(148)</u>	<u>(148)</u>
NET ASSETS		<u><u>5,842</u></u>	<u><u>5,593</u></u>
CAPITAL AND RESERVES			
Called-up equity share capital	15	-	-
Share premium account	16	1,961	1,961
Other reserves	16	621	621
Profit and loss account	16	3,260	3,011
TOTAL SHAREHOLDERS' FUNDS	16	<u><u>5,842</u></u>	<u><u>5,593</u></u>

These financial statements were authorised and approved for issue by the board of directors on the 10 Nov 2011 and are signed on their behalf by



C R Lee
Director

The notes on pages 9 to 17 form part of these financial statements

Enviroflo Engineering Limited
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

1. ACCOUNTING POLICIES

Basis of accounting

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

Cash flow statement

No cash flow statement has been prepared in accordance with FRS 1 (Revised) 1996 as the financial statements of Nalco Holding Company, the ultimate parent company, include a consolidated cash flow statement which include the company's cash flows

Goodwill

Goodwill arising on the acquisition of businesses, representing any excess over fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired is capitalised and written off on a straight line basis over its useful economic life if it is deemed to be finite, or held at initial cost where the useful economic life is deemed to be infinite. In the case of goodwill with an infinite life, the carrying value of the goodwill is subject to an annual review for impairment. Where it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the Profit & Loss Account.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Tangible fixed assets

All fixed assets are stated at cost net of depreciation and provisions for impairment.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant, machinery & other equipment	-	4 to 7 years straight line basis
Motor vehicles	-	4 years straight line basis
Fixtures & fittings	-	15% per annum straight line basis

Fixed asset investments

Fixed asset investments are stated at cost less amounts written off for impairment.

Enviroflo Engineering Limited
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

1. ACCOUNTING POLICIES *(continued)*

Stocks

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

Raw materials, consumables and goods for resale	-	purchase cost on a first-in, first-out basis
Work in progress and finished goods	-	cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and sale

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

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,

Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable,

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 taxable profits from which the future reversal of the underlying timing differences can be deducted

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

Enviroflo Engineering Limited
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

2. TURNOVER

Turnover comprises the value of sales of goods and services (excluding VAT and similar taxes and trade discounts) In the opinion of the directors, the activities of the company constitute one class of business Under the provisions of Statement of Standard Accounting Practice 25, (loss)/profit before tax and net assets are not shown by geographical market as, in the opinion of the directors, such disclosure would be prejudicial to the interests of the company

3. OPERATING LOSS

Operating loss is stated after charging

	2010 £000	2009 £000
Depreciation of owned fixed assets	<u>8</u>	<u>7</u>
Operating lease rentals – land & buildings	12	7
Operating lease rentals – plant & machinery	<u>-</u>	<u>-</u>

Auditor's remuneration is borne by fellow group company, Nalco Limited

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

	2010 No	2009 No
Selling and administration	<u>5</u>	<u>5</u>

The aggregate payroll costs of the above were

	2010 £000	2009 £000
Wages and salaries	173	102
Social security costs	20	11
Other pension costs	<u>7</u>	<u>4</u>
	<u>200</u>	<u>117</u>

No directors received any remuneration from the company during the year (2009 - £nil)

Enviroflo Engineering Limited
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2010	2009
	£000	£000
Interest from group undertakings	19	131
Other interest	1	-
	<u>20</u>	<u>131</u>

Interest received from group undertakings is loan interest charged at a variable rate calculated at the Bank of England base rate, in line with the loan agreements

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2010	2009
	£000	£000
Interest payable to group undertakings	1	5
Bank interest	1	-
	<u>2</u>	<u>5</u>

Interest paid to group undertakings is loan interest charged at a variable rate calculated at the Bank of England base rate, in line with the loan agreements

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of credit in the year

	2010	2009
	£000	£000
Current tax		
UK Taxation		
UK Corporation tax based on the results for the year at 28% (2009 - 28%)	-	15
Over provision in prior year	<u>(339)</u>	<u>(108)</u>
Total current tax credit	<u>(339)</u>	<u>(93)</u>

The prior period adjustment relates to the adjustment of intercompany group relief charges in prior years

Enviroflo Engineering Limited
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

7. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax credit

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2009 - 28%)

	2010 £000	2009 £000
(Loss)/profit on ordinary activities before taxation	<u>(90)</u>	<u>53</u>
(Loss)/profit on ordinary activities by rate of tax	(25)	15
Group relief	25	-
Adjustments to tax charge in respect of previous periods	<u>(339)</u>	<u>(108)</u>
Total current tax credit (note 7(a))	<u>(339)</u>	<u>(93)</u>

(c) Significant items affecting future periods

A number of changes to the UK Corporation tax system were announced in the March 2011 UK Budget Statement. A resolution passed by Parliament on 29 March 2011 reduced the main rate of corporation tax to 26% from 1 April 2011. Legislation to reduce the main rate of corporation tax from 26% to 25% from 1 April 2012 is expected to be included in the Finance Act 2011. None of these expected rate reductions had been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

The proposed reductions of the main rate of corporation tax by 1% per year to 23% by 1 April 2014 are expected to be enacted separately each year.

8. INTANGIBLE FIXED ASSETS

	Goodwill £000
COST	
At 1 January and 31 December 2010	<u>202</u>
AMORTISATION	
At 1 January 2010	-
Charge for the year	<u>-</u>
At 31 December 2010	<u>-</u>
NET BOOK VALUE	
At 31 December 2010	<u>202</u>
At 31 December 2009	<u>202</u>

The directors believe that the goodwill acquired does not have a finite life and is therefore not amortised.

Enviroflo Engineering Limited
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

9. TANGIBLE FIXED ASSETS

	Plant & machinery £000	Motor vehicle £000	Fixtures & fittings £000	Total £000
Cost				
At 1 January 2010	9	7	2	18
Additions	5	-	-	5
At 31 December 2010	<u>14</u>	<u>7</u>	<u>2</u>	<u>23</u>
Depreciation				
At 1 January 2010	3	4	-	7
Charge for the year	4	3	1	8
At 31 December 2010	<u>7</u>	<u>7</u>	<u>1</u>	<u>15</u>
Net book value				
At 31 December 2010	<u>7</u>	<u>-</u>	<u>1</u>	<u>8</u>
At 1 January 2010	<u>6</u>	<u>3</u>	<u>2</u>	<u>11</u>

10. INVESTMENTS

	£000
COST	
At 1 January 2010 and 31 December 2010	<u>1,797</u>
AMOUNTS WRITTEN OFF	
At 1 January 2010 and 31 December 2010	<u>(796)</u>
NET BOOK VALUE	
At 31 December 2010	<u>1,001</u>
At 31 December 2009	<u>1,001</u>

Enviroflo Engineering Limited
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

10. INVESTMENTS (continued)

The details of the investments in which the company holds more than 20% of the nominal value of any class of shares is as follows

	Country of incorporation	Status	Holding (%)	Class of shares held
<i>Subsidiary undertakings</i>				
Nalco Denmark AS	Denmark	Trading	100	Ordinary
Hydrosan Limited	UK	Non-trading	100	Ordinary
Houseman Limited	UK	Non-trading	100	Ordinary

11. DEBTORS

	2010 £000	2009 £000
Amounts recoverable on contracts	1	18
Trade debtors	138	43
Amounts owed by group undertakings	4,710	4,776
Other debtors	10	12
	<u>4,859</u>	<u>4,849</u>

Amounts owed by group undertakings due within one year include loans of which are unsecured and accrue interest at a variable rate calculated at the Bank of England base rate

The debtors above include the following amounts falling due after more than one year

	2010 £000	2009 £000
Amounts owed by group undertakings	<u>3,827</u>	<u>3,877</u>

Amounts owed by group undertakings are unsecured, accrue interest at a variable rate calculated at the Bank of England base rate and mature in 1-2 years

Enviroflo Engineering Limited
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

12. CREDITORS: Amounts falling due within one year

	2010	2009
	£000	£000
Trade creditors	58	22
Amounts owed to group undertakings	11	350
Other taxation & social security	13	4
Accruals and deferred income	6	4
	<u>88</u>	<u>380</u>

Amounts owed to group undertakings due within one year include loans of which are unsecured and accrue interest at a variable rate calculated at the Bank of England base rate

13. CREDITORS: Amounts falling due after more than one year

	2010	2009
	£000	£000
Amounts owed to group undertakings	<u>148</u>	<u>148</u>

Amounts owed to group undertakings due within one year include loans of which are unsecured, accrue interest at a variable rate calculated at the Bank of England base rate and mature in 1-2 years

14. RELATED PARTY TRANSACTIONS

As a subsidiary undertaking of Nalco Holding Company, 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 Nalco Holding Company

15. SHARE CAPITAL

Authorised share capital:

	2010	2009
	£000	£000
102 Ordinary shares of £1 each	<u>-</u>	<u>-</u>

Allotted, called up and fully paid:

	2010		2009
	No	£000	No
	102	-	102
Ordinary shares of £1 each	<u>102</u>	<u>-</u>	<u>102</u>

Enviroflo Engineering Limited
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

16. MOVEMENTS ON SHAREHOLDERS' FUNDS

	Share premium account £000	Capital redemption reserve £000	Profit and loss account £000	Total share- holders' funds £000
At 31 December 2009	1,961	621	3,011	5,593
Profit for the year	—	—	249	249
At 31 December 2010	<u>1,961</u>	<u>621</u>	<u>3,260</u>	<u>5,842</u>

17. ULTIMATE PARENT COMPANY

The directors regard Nalco Holding Company, incorporated in the United States of America, as the ultimate controlling party

The company has taken advantage of the exemption from preparing consolidated accounts. Nalco Holding Company is the parent company of the largest group of which the company is a member and for which group financial statements are drawn up. Copies of the financial statements are available from 1601 W Diehl Road, Naperville, IL 60563-1198, USA

Nalco Limited is the parent company of the smallest group of which the company is a member