

**SAUR (UK) Limited**

**REPORT AND ACCOUNTS 2008**

**For the year ended**

**31 March 2008**

**Registered number: 1990891**

THURSDAY



\*L885N8HI\*

LD4

26/03/2009

23

COMPANIES HOUSE

# SAUR (UK) Limited

## Contents

	<b>Page</b>
Company information	2
Director's report	3 - 4
Independent auditor's report	5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the accounts	9-16

# **SAUR (UK) Limited**

## **Company Information**

Directors:	D Scherrer (resigned 31 March 2008) J-P Sebe E A Snaith
Company Secretary:	E A Snaith
Registered office:	Shieling House Invincible Road Farnborough Hants GU14 7QU
Registered number:	1990891
Auditors:	Mazars LLP Chartered accountants and registered auditors Tower Bridge House St Katharine's Way LONDON E1W 1DD

# **SAUR (UK) Limited**

## **Directors' report**

The directors of SAUR (UK) Ltd have pleasure in submitting their report and the audited accounts for the year ended 31 March 2008.

### **Principal Activities and Business Review**

The principal activities of the company are the holding of investments in, and the provision of support services to members of the SAUR UK group. The accounts have been prepared on a going concern basis as the directors do not expect the existing loan from Ecovert Group Limited to be repaid in full during the next twelve months.

### **Business Review**

The profit on ordinary activities after taxation for the year was £2,239,000 (year ended 31 March 2007: £191,000). The financial position at 31 March 2008 is shown in the balance sheet on page 7. The directors expect the general level of activity to continue at current levels.

During the year the company disposed of its investment in Aguas de Valencia which resulted in a profit of £4,534,000.

### **Dividends**

An interim dividend of £3,168,179 (£31,681.79 per share) was paid on 30 October 2007. The directors do not recommend payment of a final dividend. (2007: £nil).

### **Directors and Interests in Shares**

The directors who served at the date of this report are set out on page 2. D Scherrer resigned on 31 March 2008. None of the directors held any beneficial interest in the shares of the company during the period.

### **Directors Indemnity**

The Company's Articles of Association provide, subject to the provisions of UK legislation an indemnity for directors and officers of the company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them that relate to anything done or omitted, or alleged to have been done or omitted by them as officers or employers of the Company. Appropriate directors and officers liability insurance cover is in place in respect of all directors and officers of the Company.

### **Statement as to disclosure of information to Auditors**

The directors have taken all the necessary steps to make us aware, as directors, of any relevant audit information and to establish that the auditors are aware of that information.

As far as the directors are aware, there is no relevant information of which the Company's auditors are unaware.

### **Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss for that period.

In preparing the 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 accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on a going concern basis unless it is inappropriate to presume that the company will continue in business.

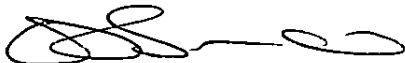
# SAUR (UK) Limited

## Directors' report (*continued*)

The directors are responsible for maintaining proper accounting records which 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 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.

### Auditors

Mazars LLP have signified their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the forthcoming annual general meeting.



**E Snaith**  
Director

19 MARCH 2009

# SAUR (UK) Limited

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAUR (UK) LTD

We have audited the financial statements of SAUR (UK) Ltd for the year ended 31 March 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and related notes. 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

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, whether the financial statements are properly prepared in accordance with the Companies Act 1985 and whether 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 transactions with the company is not disclosed.

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

### 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 judgements 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.

### 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 31 March 2008 and of its profit 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.

*Mazars UK*

Mazars LLP  
Chartered Accountants and Registered Auditors  
Tower Bridge House  
St Katharine's Way  
London E1W 1DD

*26 March 2009*

# SAUR (UK) Limited

## Profit and Loss Account

for the year ended 31 March 2008

	Note	12 months to 31 March 2008 £000	12 months to 31 March 2007 £000
Turnover		82	91
Administrative expenses		(2,703)	(734)
Other operating income		-	17
<b>Operating loss</b>		<b>(2,621)</b>	<b>(626)</b>
Interest receivable and similar income	3	335	240
Disposal of investments		4,534	-
Reversal of amounts previously written off		-	632
Interest payable and similar charges	4	(7)	(38)
<b>Profit on ordinary activities before taxation</b>	5	<b>2,241</b>	<b>208</b>
Tax charge on profit on ordinary activities	7	(2)	(17)
<b>Profit on ordinary activities after taxation</b>		<b>2,239</b>	<b>191</b>

The results in the profit and loss account all relate to continuing operations in the United Kingdom.

The company has no recognised gains or losses in either period other than the losses shown above, consequently no statement of total recognised gains and losses is presented.

A reconciliation of the movement in reserves is set out in note 14.

# SAUR (UK) Limited

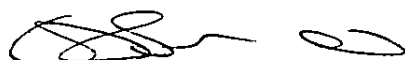
## Balance Sheet

at 31 March 2008

	Note	At 31 March 2008 £000	At 31 March 2008 £000	At 31 March 2007 £000	At 31 March 2007 £000
<b>Fixed assets</b>					
Tangible assets	8	-		-	
Investments	9	10,973		12,138	
			10,973		12,138
<b>Current assets</b>					
Debtors: amounts falling due within one year	10	3,394		2,789	
Debtors: amounts falling due after more than one year	10	667		667	
Cash at bank and in hand		268		70	
		4,329		3,526	
Creditors: amounts falling due within one year	11	(13,316)		(14,249)	
<b>Net current assets</b>			(8,987)		(10,723)
<b>Total assets less current liabilities</b>			1,986		1,415
<b>Provision for liabilities and charges</b>	12		(1,500)		-
			486		1,415
<b>Capital and reserves</b>					
Called up share capital	13		-		-
Profit and loss account	14		486		1,415
			486		1,415

The accompanying notes are an integral part of this balance sheet.

These financial statements were approved by the Board of Directors on 19 MARCH 2009 and signed on its behalf by:



**E Snaith**  
Director



# SAUR (UK) Limited

## Cash flow statement

for the year ended 31 March 2008

	Note	12 months ended 31 March 2008 £000	12 months ended 31 March 2007 £000
Net cash outflow from operating activities	16	(251)	(327)
Returns on investment and servicing of finance:			
Interest received		272	184
Dividend received		63	56
Interest paid		(7)	(38)
UK Corporation tax paid		(2)	(17)
Equity dividends paid		(3,168)	-
Acquisitions and disposals:			
Disposal of listed investment		5,408	-
Cash flow before management of liquid resources and financing		2,315	(142)
Cash flow arising from change in loans to and from subsidiary undertakings		(2,117)	(29)
<b>Increase / (decrease) in cash during the period</b>	18	198	(171)

# SAUR (UK) Limited

## Notes to accounts

### 1. Accounting policies

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

#### Basis of preparation

The financial statements have been prepared under the historical cost convention, on a going concern basis, and in accordance with applicable accounting standards. The loan from group companies of £12.7 million is not expected to become payable with the next twelve months and as a result the directors consider that it is appropriate to prepare the accounts on the going concern basis. The company is exempt from the requirement to prepare group accounts since it is part of Groupe HIME which is incorporated and registered in France and prepares group accounts.

#### Turnover

Turnover represents income from chargeable services during the period, excludes VAT, and is stated before any deduction for bad and doubtful debts.

#### Investment income and interest

Dividend income in respect of shares held is recognised when declared. Interest on loans and short term deposits is dealt with on an accruals basis. Income from investments includes income tax deducted, or where applicable, the imputed tax credits.

#### Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

#### Deferred taxation

Deferred tax is provided in respect of the material tax effect of all timing differences at the rates of tax expected to apply when the timing differences reverse.

#### Investments

Investments are stated at historical cost less provisions for impairment.

#### Depreciation

Depreciation is provided on a straight line basis over the estimated useful lives of the assets as follows:

Office equipment and computers	3-5 years
--------------------------------	-----------

#### Pension costs

The assets of the pension scheme are held separately from those of the company. The cost of contributions to the scheme is charged to the profit and loss account on a systematic basis over the average service lives of the employees concerned. All contributions are determined by an independent qualified actuary at periodic intervals using the projected unit method.

#### Related party disclosures

As a wholly owned subsidiary of SAUR SAS, the company has taken advantage of the exemption under FRS 8 "Related Party Disclosures" not to provide information on related party transactions with other companies within the SAUR group.

#### Foreign currencies

Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. All foreign exchange differences upon payment are taken to the profit and loss account.

# SAUR (UK) Limited

## Notes to accounts *(continued)*

### 2. Turnover

All turnover was in relation to the company's principal business and originated in the United Kingdom.

### 3. Interest receivable and similar income

	12 months ended 31 March 2008 £000	12 months ended 31 March 2007 £000
Interest on bank deposits	30	1
Interest received on loan to parent company	114	109
Interest received on loans to subsidiary undertakings	25	31
Income from investments	117	99
Foreign exchange gain	49	-
	335	240

### 4. Interest payable and similar charges

	12 months ended 31 March 2008 £000	12 months ended 31 March 2007 £000
Interest paid and accrued on group borrowings	7	38
	7	38

### 5. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is arrived at after charging:

	12 months ended 31 March 2008 £000	12 months ended 31 March 2007 £000
Auditors' remuneration	15	17

### 6. Directors and employees

The average number of persons employed by the company during the year was:

	12 months ended 31 March 2008	12 months ended 31 March 2007
Management and administration	1	1
	1	1

# SAUR (UK) Limited

## Notes to accounts (continued)

The aggregate payroll costs of these persons were as follows:

	12 months ended 31 March 2008 £000	12 months ended 31 March 2007 £000
Wages and salaries	35	34
Social security costs	3	3
Pension costs	4	3
	42	40

### Remuneration of directors

	12 months ended 31 March 2008 £000	12 months ended 31 March 2007 £000
Aggregate emoluments	58	71

Retirement benefits were accruing to one director under a defined benefit scheme at the end of the period.

Emoluments of the highest paid director were as follows:	£000
Aggregate emoluments	58
Accrued pension at end of period	14
Accrued lump sum at end of period	33

Aggregate emoluments for the year ended 31 March 2008 are fees paid in respect of work carried out for the company and for other members of the UK group, comprising company secretarial, accounting and other financial services. No other directors' fees were paid during the year (2007: nil).

## 7. Taxation

### a) Analysis of charge for the year

	12 months ended 31 March 2008 £000	12 months ended 31 March 2007 £000
<b>Current tax:</b>		
Group relief receivable / (payable) at 30% (2007: 30%)	-	-
Tax paid on foreign dividend received	(11)	(9)
Tax reimbursed / (paid) on interest on loan notes	9	(8)
Total current tax charge	(2)	(17)
<b>Deferred tax:</b>		
Origination and reversal of timing differences based on current year result	-	-
Tax charge on profits on ordinary activities	(2)	(17)

# SAUR (UK) Limited

## Notes to accounts (continued)

### 7. Taxation (continued)

#### b) Factors affecting tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 30%. The differences are explained below:

	12 months ended 31 March 2008 £000	12 months ended 31 March 2007 £000
Profit on ordinary activities before tax	2,241	208
Profit on ordinary activities before tax multiplied by standard rate of corporation tax in the UK of 30%	672	62
Effects of:		
Profit not taxable	(1,369)	(99)
Expenses not deductible for tax purposes	732	1
Capital allowances in excess of depreciation	(1)	(2)
Imputed loan interest	(182)	-
Current year tax credit not recognised	173	19
Other timing differences	(27)	2
Current tax charge for period	(2)	(17)

Losses carried forward of £1,163,000 have not been recognised in the accounts as there is uncertainty that group relief or future profits will be available to cover these losses.

#### c) Factors that may affect future tax charges

As the company is part of the SAUR UK Group, it is anticipated that any future tax charges arising from activities will be surrendered as group relief. There is uncertainty as at 31 March 2008 that group relief will be available to cover any tax credit that may arise from activities.

### 8. Tangible fixed assets

	Office equipment and computers £000
Cost at 31 March 2007 and 2008	8
Depreciation at 31 March 2007 and 2008	8
Net book value at 31 March 2007 and 2008	-

# SAUR (UK) Limited

## Notes to accounts (continued)

### 9. Investments

	Listed investments shares £000	Investment in subsidiary undertakings: Shares £000	Loans £000	Total £000
<b>Cost</b>				
At 1 April 2007	874	28,661	20,685	50,220
Additions	-	-	649	649
Disposals and write offs	(874)	-	(1,916)	(2,790)
<b>At 31 March 2008</b>	<b>-</b>	<b>28,661</b>	<b>19,418</b>	<b>48,079</b>
<b>Provisions</b>				
At 1 April 2007	-	17,397	20,685	38,082
(Released) to the profit and loss account during period	-	-	(1,916)	(1,916)
Charged to the profit and loss account during the period	-	291	649	940
<b>At 31 March 2008</b>	<b>-</b>	<b>17,688</b>	<b>19,418</b>	<b>37,106</b>
<b>Net book value at 31 March 2008</b>	<b>-</b>	<b>10,973</b>	<b>-</b>	<b>10,973</b>
Net book value at 1 April 2007	874	11,264	-	12,138

During the year the company disposed of listed investments in Aguas de Valencia.

#### Principal subsidiary undertaking

Company name	Type of shares	Proportion of shares held	Nature of business
SAUR Services (Glasgow) Limited*	Ordinary	100%	Waste water treatment

#### Principal joint venture

Company name	Type of shares	Proportion of shares held	Nature of business
<b>Joint venture undertakings:</b>			
Scotia Water Dalmuir (Holdings) Limited*	Ordinary	14.9%	Investment company
Scotia Water Dalmuir Limited **	Ordinary	14.9%	Construction and operation of sewage treatment works.

\* Held directly by SAUR (UK) Limited.

\*\* Held via a subsidiary or joint venture undertaking

All principal subsidiary companies and joint venture undertakings are incorporated in Great Britain and registered in England and Wales.

# SAUR (UK) Limited

## Notes to accounts (continued)

### 10. Debtors

	31 March 2008 £000	31 March 2007 £000
Amounts falling due within one year:		
Trade debtors	20	46
Other debtors	10	108
Prepayments and accrued income	11	1
Amount due by group undertakings	3,353	2,634
Amounts falling due after one year:	3,394	2,789
Loan note	667	667
	4,061	3,456

### 11. Creditors

	31 March 2008 £000	31 March 2007 £000
Amounts falling due within one year:		
Trade creditors	22	27
Corporation Tax	420	420
Other taxes and social security	10	11
Other creditors	-	1
Accruals and deferred income	92	116
Amounts owed to parent and fellow subsidiary undertakings	26	39
Amounts owed to subsidiary undertakings	12,746	13,635
	13,316	14,249

### 12. Provision for Liabilities and Charges

	Provision for subsidiary contract loss £000
At 1 April 2007	-
Increase in provision	1,500
At 31 March 2008	1,500

The company's subsidiary, SAUR Services (Glasgow) Limited, is engaged in a 25 year contract to provide operational and maintenance services to Scotia Water Dalmuir Limited. There is uncertainty over the profitability of the contract due to technical issues and ongoing discussions with the local authority regarding how unanticipated additional costs can be recouped. In recognition of this, the company has agreed to provide support to its subsidiary to a level of £1.5m if the contract is unprofitable at its end date.

# SAUR (UK) Limited

## Notes to accounts *(continued)*

### 13. Share capital

	At 31 March 2008	At 31 March 2007
Authorised, called up, allotted and fully paid		
Ordinary shares of £1 each	100	100

### 14. Reconciliation of movement in reserves

	12 months ended 31 March 2008 £000	12 months ended 31 March 2007 £000
Profit for the period	2,239	191
Equity dividends paid	(3,168)	-
Net (decrease) / increase to reserves	(929)	191
Opening reserves	1,415	1,224
Closing reserves	486	1,415

### 15. Pensions

The employees of the company are members of the Ecovert Pension scheme which is funded and provides benefits on either a defined benefits or a defined contributions basis depending on the category of membership. The pension cost for the year was £4,000. Details of the Ecovert Pension Scheme, including the basis on which actuarial valuations have been carried out, are included in the accounts of Ecovert Group Ltd.

SAUR (UK) Limited accounts for pension contributions in respect of the defined benefit pension scheme as if they were defined contributions because the scheme is a multi-employer scheme and the employer is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. An updated valuation of the scheme at 31 March 2008 indicated that the scheme was 81% per cent funded. The Ecovert Pension Scheme had a deficit of £1,551,000 as at 31 March 2008 but the company has no liability for any of this deficit as the principal employer has assumed full liability for the scheme deficit.

### 16. Reconciliation of operating profit to net cash flow from operating activities

	12 months ended 31 March 2008 £000	12 months ended 31 March 2007 £000
Operating loss	(2,621)	(626)
Increase in debtors	(9)	(139)
Increase in provisions	524	437
Write off loan to subsidiary	1,916	-
(Decrease) / increase in creditors	(61)	1
Net cash outflow from operating activities	(251)	(327)



# SAUR (UK) Limited

## Notes to accounts *(continued)*

### 17. Reconciliation of net cash flow to movement in net debt

	12 months ended 31 March 2008 £000	12 months ended 31 March 2007 £000
Increase / (decrease) in cash during the period	198	(171)
Cash flow from decrease in debt	872	1,193
Change in net debt	1,070	1,022
Net debt at beginning of the period	(13,466)	(14,488)
Net debt at end of the period	(12,396)	(13,466)

The debt at the beginning and end of the period relates to a loan from Ecovert Group Limited. This loan currently bears no interest and has no fixed repayment date.

### 18. Analysis of changes in net debt

	1 April 2007 £000	Cash flows £000	31 March 2008 £000
Cash	70	198	268
Loans	(13,536)	872	(12,664)
	(13,466)	1,070	(12,396)

### 19. Parent company and ultimate controlling parties

The smallest group of companies into which results of the company are consolidated is that headed by SAUR International SA. The largest group of companies into which the results of the company are consolidated is that headed by HIME, which is also the company's ultimate undertaking and controlling party. Both parent undertakings are incorporated in France. The financial statements of HIME may be obtained from Atlantis, 1 Avenue Eugene Freyssinet, 78064 St Quentin en Yvelines, Cedex, France.