

COMPANY REGISTRATION NUMBER 3555308

**NALCO SERVICES LIMITED**  
**FINANCIAL STATEMENTS**  
**31 DECEMBER 2008**



**NALCO SERVICES LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2008**

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**NALCO SERVICES LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

**The board of directors**

C R Lee  
D Johnson (appointed 9 February 2009)  
B Bell (resigned 1 June 2009)  
F A M Jung (resigned 5 December 2008)

**Company secretary**

W Joyce

**Registered office**

P O Box 11  
Winnington Avenue  
Northwich  
Cheshire  
CW8 4DX

**Auditors**

Ernst & Young LLP  
Chartered Accountants  
100 Barbirolli Square  
Manchester  
M2 3EY

**Solicitors**

Eversheds  
70 Great Bridgewater Street  
Manchester  
M1 5ES

**NALCO SERVICES LIMITED**  
**THE DIRECTORS' REPORT**  
**YEAR ENDED 31 DECEMBER 2008**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2008.

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The company did not trade during the year, but received interest income from loans to group undertakings. As the company did not trade, the company is not exposed to financial risks such as price risk, credit risk, liquidity risk and cash flow risk.

With respect to interest rate risk, 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.

**RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £410,000 (2007: £386,000).

The directors have not recommended a dividend (2007: £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 1985.

**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 1985 relating to small companies.

**AUDITORS**

A resolution to re-appoint Ernst & Young LLP as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

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 6 October 2009

**NALCO SERVICES LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
**YEAR ENDED 31 DECEMBER 2008**

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 which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended. 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; 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. The directors 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.

**NALCO SERVICES LIMITED**  
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NALCO**  
**SERVICES LIMITED**  
**YEAR ENDED 31 DECEMBER 2008**

We have audited the company's financial statements for the year ended 31 December 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 11. 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 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 and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 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.

# NALCO SERVICES LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NALCO SERVICES LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 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 31 December 2008 and of its profit for the year then ended and 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.

100 Barbirolli Square  
Manchester  
M2 3EY



ERNST & YOUNG LLP  
Registered Auditors

8/10/09

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**NALCO SERVICES LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 DECEMBER 2008**

	Note	2008 £000	2007 £000
Interest receivable	4	569	551
		—	—
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>569</b>	<b>551</b>
Tax on profit on ordinary activities	5	(159)	(165)
		—	—
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		<b><u>410</u></b>	<b><u>386</u></b>

**Statement of total recognised gains and losses**

There are no recognised gains or losses other than the profit of £410,000 attributable to the shareholders for the year ended 31 December 2008 (2007 - profit of £386,000).

The notes on pages 8 to 10 form part of these financial statements.



# NALCO SERVICES LIMITED

## BALANCE SHEET

31 DECEMBER 2008

	Note	2008 £000	2007 £000
<b>CURRENT ASSETS</b>			
Debtors	6	9,806	9,236
<b>CREDITORS: Amounts falling due within one year</b>	7	<u>(612)</u>	<u>(452)</u>
<b>NET CURRENT ASSETS</b>		<u>9,194</u>	<u>8,784</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>9,194</u>	<u>8,784</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	9	4,000	4,000
Share premium account	10	1,365	1,365
Profit and loss account	10	<u>3,829</u>	<u>3,419</u>
<b>SHAREHOLDERS' FUNDS</b>	10	<u>9,194</u>	<u>8,784</u>

These financial statements were authorised and approved for issue by the board of directors on the 6 Oct 2009 and are signed on their behalf by:



C R Lee  
Director

The notes on pages 8 to 10 form part of these financial statements.

**NALCO SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2008**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention and have been prepared in accordance with applicable accounting standards.

Assets and liabilities are recognised in the financial statements where, as a result of past transactions or events, the company has rights or other access to future economic benefits controlled by the company, or obligations to transfer economic benefits. The financial statements have been prepared in accordance with applicable accounting standards.

**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, a company incorporated in the United States of America and the ultimate parent company, include a consolidated cash flow statement which includes the company's cash flows.

**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.

**2. OPERATING PROFIT**

Auditors remuneration was borne by Nalco Limited, a fellow group company.

**3. PARTICULARS OF EMPLOYEES**

No other staff are employed other than the Officers listed on page one. Employee costs are borne by a fellow group company.

**4. INTEREST RECEIVABLE**

	<b>2008</b>	<b>2007</b>
	<b>£000</b>	<b>£000</b>
Interest from group undertakings	<b><u>569</u></b>	<b><u>551</u></b>

Interest received from group undertakings is loan interest charged at a variable rate calculated at 1.675 points above LIBOR, in line with the loan agreement(s).

**NALCO SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2008**

**5. TAXATION ON ORDINARY ACTIVITIES**

**(a) Analysis of charge in the year**

	<b>2008</b>	2007
	<b>£000</b>	£000
Current tax:		
UK Corporation tax based on the results for the year at 28% (2007 - 30%)	<u>159</u>	<u>165</u>
Total current tax	<u>159</u>	<u>165</u>

**(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is the same as the standard rate of corporation tax in the UK of 28% (2007 - 30%).

	<b>2008</b>	2007
	<b>£000</b>	£000
Profit on ordinary activities before taxation	<u>569</u>	<u>551</u>
Profit on ordinary activities by rate of tax	<u>159</u>	<u>165</u>
Total current tax (note 5(a))	<u>159</u>	<u>165</u>

**6. DEBTORS**

	<b>2008</b>	2007
	<b>£000</b>	£000
Amounts owed by group undertakings	<u>9,806</u>	<u>8,685</u>

**7. CREDITORS: Amounts falling due within one year**

	<b>2008</b>	2007
	<b>£000</b>	£000
Amounts owed to group undertakings	<u>612</u>	<u>452</u>

**8. 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.

**NALCO SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2008**

**9. SHARE CAPITAL**

**Authorised share capital:**

	2008 £000	2007 £000
4,000,000 Ordinary shares of £1 each	<u>4,000</u>	<u>4,000</u>

**Allotted, called up and fully paid:**

	2008 No	£000	2007 No	£000
Ordinary shares of £1 each	<u>4,000,000</u>	<u>4,000</u>	<u>4,000,000</u>	<u>4,000</u>

**10. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES**

	Share capital £000	Share premium account £000	Profit and loss account £000	Total share- holders' funds £000
At 1 January 2008	4,000	1,365	3,419	8,784
Profit for the year	<u>—</u>	<u>—</u>	<u>410</u>	<u>410</u>
At 31 December 2008	<u>4,000</u>	<u>1,365</u>	<u>3,829</u>	<u>9,194</u>

**11. ULTIMATE PARENT COMPANY**

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

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 Holdings UK Limited is the parent company of the smallest group of which the company is a member.