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NALCO SERVICES LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2009

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NALCO SERVICES LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

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NALCO SERVICES LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	C R Lee D Johnson J Smith (appointed 8 August 2009)
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 2009

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2009

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 £328,000 (2008 £410,000)

The directors have not recommended a dividend (2008 £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

27 August 2010

NALCO SERVICES LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 31 DECEMBER 2009

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.

NALCO SERVICES LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NALCO
SERVICES LIMITED
YEAR ENDED 31 DECEMBER 2009

We have audited the financial statements of Nalco Services Limited for the year ended 31 December 2009 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. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 explained more fully in the Directors' Responsibilities Statement, 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 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.

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 2009 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.

NALCO SERVICES LIMITED

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

YEAR ENDED 31 DECEMBER 2009

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

Ernst & Young

B Flynn (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Manchester

31/8/10

NALCO SERVICES LIMITED
COMPANY NUMBER 3555308

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2009

	Note	2009 £000	2008 £000
Interest receivable	4	235	569
		—	—
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		235	569
Tax on profit on ordinary activities	5	93	(159)
		—	—
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>328</u>	<u>410</u>

Statement of total recognised gains and losses

There are no recognised gains or losses other than the profit of £328,000 attributable to the shareholders for the year ended 31 December 2009 (2008 - profit of £410,000)

The notes on pages 8 to 11 form part of these financial statements

NALCO SERVICES LIMITED
COMPANY NUMBER 3555308

BALANCE SHEET

31 DECEMBER 2009

	Note	2009 £000	2008 £000
CURRENT ASSETS			
Debtors	6	10,040	9,806
CREDITORS: Amounts falling due within one year	7	<u>(518)</u>	<u>(612)</u>
NET CURRENT ASSETS		<u>9,522</u>	<u>9,194</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>9,522</u>	<u>9,194</u>
CAPITAL AND RESERVES			
Called-up equity share capital	9	4,000	4,000
Share premium account	10	1,365	1,365
Profit and loss account	10	<u>4,157</u>	<u>3,829</u>
SHAREHOLDERS' FUNDS	10	<u>9,522</u>	<u>9,194</u>

These financial statements were authorised and approved for issue by the board of directors on the 27 Aug 2010 and are signed on their behalf by



C R Lee
Director

The notes on pages 8 to 11 form part of these financial statements.

NALCO SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

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 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

	2009	2008
	£000	£000
Interest from group undertakings	<u>235</u>	<u>569</u>

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 agreements

NALCO SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

5. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2009	2008
	£000	£000
Current tax		
UK Corporation tax based on the results for the year at 28% (2008 - 28%)	66	159
(Over)/under provision in prior year	<u>(159)</u>	<u>-</u>
Total current tax	<u>(93)</u>	<u>159</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% (2008 - 28%)

	2009	2008
	£000	£000
Profit on ordinary activities before taxation	<u>235</u>	<u>569</u>
Profit on ordinary activities by rate of tax	66	159
Adjustments to tax charge in respect of previous periods	<u>(159)</u>	<u>-</u>
Total current tax (note 5(a))	<u>(93)</u>	<u>159</u>

(c) Significant items affecting future periods

In his budget of 22 June 2010, the Chancellor of the Exchequer announced Budget tax changes which, if enacted, in the proposed manner will have a significant effect on the company's future tax position. As the accounting period ended 31 December 2009 precedes the Budget announcement and the tax changes announced in the budget are not yet regarded as substantively enacted, in accordance with Accounting Standards, the changes have not been reflected in the company's Financial Statements as at 31 December 2009.

The rate change would impact the amount of future cash tax payments to be made by the company. The effect on the company of the proposed changes to the UK tax system will be reflected in the company's Financial Statements in future years, as appropriate, once the proposals have been substantively enacted.

NALCO SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

6. DEBTORS

	2009 £000	2008 £000
Amounts owed by group undertakings	<u>10,040</u>	<u>9,806</u>

7. CREDITORS: Amounts falling due within one year

	2009 £000	2008 £000
Amounts owed to group undertakings	<u>518</u>	<u>612</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

9. SHARE CAPITAL

Authorised share capital:

	2009 £000	2008 £000
4,000,000 Ordinary shares of £1 each	<u>4,000</u>	<u>4,000</u>

Allotted, called up and fully paid:

	2009 No	£000	2008 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 2009	4,000	1,365	3,829	9,194
Profit for the year	<u>—</u>	<u>—</u>	<u>328</u>	<u>328</u>
At 31 December 2009	<u>4,000</u>	<u>1,365</u>	<u>4,157</u>	<u>9,522</u>

NALCO SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

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