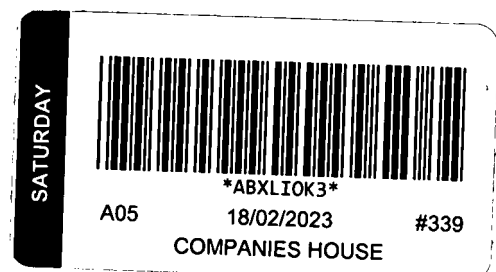


Registered number: 00950340

**SUEZ WATER TECHNOLOGIES & SOLUTIONS UNITED KINGDOM**

**Annual Report and Financial Statements  
For the Year Ended 31 December 2021**



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<b>SUEZ WATER TECHNOLOGIES &amp; SOLUTIONS UNITED KINGDOM</b>
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**Company Information**

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<b>Directors</b>	R J Brook C A Campbell (resigned on 12 May 2022) C M A Jeffery (appointed on 12 May 2022) R J Gray (appointed on 12 May 2022) M V Smith (appointed on 12 May 2022)
<b>Company secretary</b>	Oakwood Corporate Secretary Limited
<b>Registered number</b>	00950340
<b>Registered office</b>	3rd Floor 1 Ashley Road Altrincham Cheshire WA14 2DT
<b>Independent auditors</b>	Ernst & Young LLP Bedford House 16 Bedford Street Belfast BT2 7DT

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**SUEZ WATER TECHNOLOGIES & SOLUTIONS UNITED KINGDOM**

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**SUEZ WATER TECHNOLOGIES & SOLUTIONS UNITED KINGDOM**

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**Directors' Report  
For the Year Ended 31 December 2021**

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The directors present their annual report and the audited financial statements for the year ended 31 December 2021.

**Principal activity**

The company is an investment holding company. No changes to the Company's principal activity are anticipated in the foreseeable future.

**Results and dividends**

The loss for the financial year, after taxation, amounted to £4,793,000 (2020 - Loss of £2,963,000).

The directors do not recommend the payment of a dividend (2020: £Nil).

**Directors of the company**

The directors who held office during the year and up to the date of directors' report were as follows :

R J Brook  
C A Campbell (resigned on 12 May 2022)  
C M A Jeffery (appointed on 12 May 2022)  
R J Gray (appointed on 12 May 2022)  
M V Smith (appointed on 12 May 2022)

**Directors' liabilities**

One or more of the directors have benefited from qualifying third party indemnity provisions in place during the financial year and subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provisions remain in force as at the date of approving the directors' report.

**Small companies provision statement**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006. Advantage has been taken of the exemption under section 414B of the Companies Act 2006 from the requirement to prepare a Strategic Report.

**Going concern**

For the year ended 31 December 2021 the company incurred a loss of £4,793,000 and as at 31 December 2021, the company has net current liabilities of £25,836,000 and net liabilities of £25,698,000. For this reason the directors have obtained a letter of support from Veolia Water Technologies & Solutions SA. The letter of support confirms that Veolia Water Technologies & Solutions SA will provide financial support to assist the company to meet its liabilities as and when they fall due, but only to the extent that money is not otherwise available to the company to meet its liabilities. This commitment of support is for the period to 29 February 2024, which is consistent with the directors going concern assessment period and is at least 12 months from the date of approval of this report. The directors have assessed the ability of the intermediate parent entity to provide this support and are satisfied that there are no concerns. Therefore, the directors have a reasonable expectation that the company can continue as a going concern for a period to 29 February 2024. Accordingly, the financial statements have been prepared on a going concern basis.

**Principal risks and uncertainties**

The Covid-19 pandemic, which the World Health Organization declared a public health emergency on January 30, 2020, had a significant impact on the economies of the countries where SUEZ operates over the year. The economic impact of the Covid-19 health crisis is tending to wane, notably through access to vaccination and a

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**SUEZ WATER TECHNOLOGIES & SOLUTIONS UNITED KINGDOM**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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decrease in case numbers and mortality due to the emergence of new variants, such as Omicron. Nevertheless, it is anticipated that the Covid-19 pandemic will continue to have an impact on the upcoming financial years.

Essential and vital public service missions have been fulfilled in all regions. The Group has set up the necessary measures to enable all of its teams and subcontractors to work without jeopardizing their safety or their clients' safety.

In line with the Group internal policies the company's measures to identify and monitor risks create an adequate support system to resolve and react to emerging risks and develop appropriate solutions case by case, mitigating the exposure to risks that could affect continuity of operations.

**Business Impact in Relation to Brexit**

The United Kingdom (UK) withdrew from the European Union (EU) on 31 January 2020. The transition period has completed on 31 December 2020. The company is a holding company and Brexit has not had and it is not expected to have a significant impact on its activities.

**Business Impact in Relation to the War in the Ukraine**

The company has no customers or vendors in Russia or in the Ukraine. Therefore, the war in the Ukraine has no direct impact on the company. Nevertheless, the war is anticipated to have an impact on the general economic environment.

**Post balance sheet events**

In 2022 the entity become part of the Veolia Group. On 25 August 2022 the United Kingdom's Competition and Market Authority published its final report on the merger of the Suez and the Veolia Groups. The report includes remedies necessary to avoid competition issues within the United Kingdom. The remedies have no impact on the future operation of SUEZ Water Technologies & Solutions United Kingdom.

There were no significant events between the Statement of Financial Position date and the date of signing of the financial statements, affecting the company, which require adjustment to or disclosure in the financial statements.

**Disclosure of information to auditors**

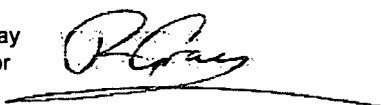
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

**Reappointment of auditors**

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 487(2) of the Companies Act 2006.

Approved by the Board on 10/02/23 and signed on its behalf on 14/02/23 by:

R J Gray  
Director



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**SUEZ WATER TECHNOLOGIES & SOLUTIONS UNITED KINGDOM**

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**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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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 Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 judgements 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 to enable them to ensure that the company complies 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.

Approved by the Board on 10/02/23 and signed on its behalf on 14/02/23 by:



R J Gray  
Director

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## **SUEZ Water Technologies & Solutions United Kingdom**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUEZ WATER TECHNOLOGIES & SOLUTIONS UNITED KINGDOM**

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#### **Opinion**

We have audited the financial statements of SUEZ Water Technologies & Solutions United Kingdom for the year ended 31 December 2021 which comprise the Profit and Loss Account and other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 and of its loss 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.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period up to 29 February 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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## **SUEZ Water Technologies & Solutions United Kingdom**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUEZ WATER TECHNOLOGIES & SOLUTIONS UNITED KINGDOM (CONTINUED)**

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#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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 take advantage of the small companies' exemption in preparing the Directors' report and from the requirements to prepare a Strategic report.

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



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## SUEZ Water Technologies & Solutions United Kingdom

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUEZ WATER TECHNOLOGIES & SOLUTIONS UNITED KINGDOM (CONTINUED)

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#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### ***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (the Companies Act 2006 and FRS 101 'Reduced Disclosure Framework') and relevant tax compliance regulations in the UK. In addition, we concluded that there are certain significant laws and regulations that may have an indirect effect on the determination of the amounts and disclosures in the financial statements. These are those laws and regulations relating to employee matters, health and safety and bribery and corruption practices.
- We understood how the company is complying with those frameworks by performing enquiries of management. We corroborated our enquiries by performing a review of the company's board minutes as well as any applicable correspondence from regulatory bodies. We noted no contradictory evidence.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management across the business to understand where they considered there was a susceptibility to fraud. We also considered performance targets and their influence on efforts made by management to manage earnings and how they would achieve that.
- Based on this understanding we designed audit procedures to identify noncompliance with laws and regulations. We considered the risk of fraud through management override of controls and designed testing over manual journals entries as part of our audit approach. We used data analysis to select manual journals with specific risk criteria and obtained supporting evidence for the journals selected. We also assessed that the valuation of investments in subsidiaries was a judgemental area of the audit which is more susceptible to fraud. We obtained an understanding of the controls over this process and tested managements valuation. We compared the carrying value of the Investment as at 31 December 2021 to the recoverable amount of the investment, being the higher of fair value less cost of disposal and value in use.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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<b>SUEZ Water Technologies &amp; Solutions United Kingdom</b>
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUEZ WATER TECHNOLOGIES &  
SOLUTIONS UNITED KINGDOM (CONTINUED)**

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**Use of our report**

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.

*Ernst & Young LLP*

Neil Corry (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Belfast  
Date: 15 February 2023

**SUEZ WATER TECHNOLOGIES & SOLUTIONS UNITED KINGDOM**

**Profit and Loss Account and Other Comprehensive Income  
For the Year Ended 31 DECEMBER 2021**

	Notes	2021 £000	2020 £000
Administrative expenses		(1)	(494)
Other income		598	2
<b>Operating profit/(loss)</b>	<b>4</b>	<b>597</b>	<b>(492)</b>
Impairment of fixed asset investments	8	(4,735)	(2,213)
Interest receivable and similar income	5	—	2
Interest payable and similar expenses	6	(646)	(260)
<b>Loss before taxation</b>		<b>(4,784)</b>	<b>(2,963)</b>
Tax on loss	7	(9)	—
<b>Loss for the financial year</b>		<b>(4,793)</b>	<b>(2,963)</b>
<b>Total comprehensive loss for the financial year</b>		<b>(4,793)</b>	<b>(2,963)</b>

The above results were derived from continuing operations.

The notes on pages 11 to 20 form an integral part of these financial statements.


**SUEZ WATER TECHNOLOGIES & SOLUTIONS UNITED KINGDOM**

**BALANCE SHEET  
AS AT 31 DECEMBER 2021**

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Investments	8	138	4,873
		<u>138</u>	<u>4,873</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	199	686
Cash at bank	10	388	398
		<u>587</u>	<u>1,084</u>
Creditors: amounts falling due within one year	11	<u>(26,423)</u>	<u>(26,861)</u>
<b>Net current liabilities</b>		<u>(25,836)</u>	<u>(25,777)</u>
<b>Total assets less current liabilities</b>		<u>(25,698)</u>	<u>(20,904)</u>
Creditors - amounts falling due after more than one year		—	(1)
<b>Net liabilities</b>		<u><u>(25,698)</u></u>	<u><u>(20,905)</u></u>
<b>Capital and reserves</b>			
Called-up share capital	12	—	—
Share premium account		12,810	12,810
Profit and loss account		(38,508)	(33,715)
<b>Shareholders' deficit</b>		<u><u>(25,698)</u></u>	<u><u>(20,905)</u></u>

Approved by the Board on 10/02/23

and signed on its behalf on 14/02/23 by:

  
**R J Gray**  
Director

The notes on pages 11 to 20 form an integral part of these financial statements.

**SUEZ WATER TECHNOLOGIES & SOLUTIONS UNITED KINGDOM**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Share premium account	Profit and loss account	Total Shareholders deficit
	£000	£000	£000	£000
At 1 January 2021	—	12,810	(33,715)	(20,905)
<b>Comprehensive loss for the financial year</b>				
Loss for the financial year	—	—	(4,793)	(4,793)
<b>Total comprehensive loss for the financial year</b>	—	—	(4,793)	(4,793)
<b>At 31 December 2021</b>	—	12,810	(38,508)	(25,698)

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Share premium account	Profit and loss account	Total Shareholders deficit
	£000	£000	£000	£000
At 1 January 2020	—	12,810	(30,752)	(17,942)
<b>Comprehensive loss for the financial year</b>				
Loss for the year	—	—	(2,963)	(2,963)
<b>Total comprehensive loss for the financial year</b>	—	—	(2,963)	(2,963)
<b>At 31 December 2020</b>	—	12,810	(33,715)	(20,905)

The notes on pages 11 to 20 form an integral part of these financial statements.

**Called up share capital**

Called up share capital represents the issued and fully paid up equity share capital of the company.

**Share premium account**

Share premium account includes any premiums received on the share capital. Any transactions costs associated with the issuing of shares are deducted from share premium.

**Profit and loss account**

Profit and loss includes all current and prior period profit and losses.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**1. General information**

The company is a private company limited by share capital, registered in England, incorporated and domiciled in the United Kingdom.

The address of its registered office is:

3rd Floor 1 Ashley Road  
Altrincham  
Cheshire  
WA14 2DT

**2. Accounting policies**

**2.1 Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements are presented in Pound Sterling and are rounded to nearest thousand.

**2.2 Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of UK adopted International Accounting Standards, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

**2.3 Exemption from preparing group accounts**

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 401 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The name of the ultimate parent company is Veolia Water Technologies & Solutions SA. The Group's headquarter is at 1, Place Montgolfier - 94417 Saint-Maurice - France. The consolidated financial statements of this company are available to the public and may be obtained upon request.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**2.4 Summary of disclosure exemptions**

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

**2.5 Going concern**

For the year ended 31 December 2021 the company incurred a loss of £4,793,000 and as at 31 December 2021, the company has net current liabilities of £25,836,000 and net liabilities of £25,698,000. For this reason the directors have obtained a letter of support from Veolia Water Technologies & Solutions SA. The letter of support confirms that Veolia Water Technologies & Solutions SA will provide financial support to assist the company to meet its liabilities as and when they fall due, but only to the extent that money is not otherwise available to the company to meet its liabilities. This commitment of support is for the period to 29 February 2024, which is consistent with the directors going concern assessment period and is at least 12 months from the date of approval of this report. The directors have assessed the ability of the intermediate parent entity to provide this support and are satisfied that there are no concerns. Therefore, the directors have a reasonable expectation that the company can continue as a going concern for a period to 29 February 2024. Accordingly, the financial statements have been prepared on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. Accounting policies (continued)**

**2.6 Tax**

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Full provision is made for deferred tax liabilities arising from all temporary differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as probable that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the temporary differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

**2.7 Investments**

Investment in subsidiary and associate undertakings are shown at cost less provision for impairment.

At each balance sheet date the company reviews the carrying amounts of its investments to determine whether there is any indication that those investments have suffered an impairment loss. If such indication exists, the recoverable amount of the investment is estimated based on its fair value less costs of disposal (for which its net asset value may be used as a reasonable proxy) and value in use. Where the recoverable amount of the investment is less than the carrying value an impairment loss is recognised in Profit and Loss Account in the period.

**2.8 Foreign currency transactions and balances**

The accounts are presented in sterling which is the company's functional and presentational currency in thousands.

Foreign currencies transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

**2.9 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Receivables are assessed for credit risk on a monthly basis. This is based on the type and age of receivables. The credit risk per type and age is determined based on past experience and it is updated periodically. Receivables which have no further probability are written off.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. Accounting policies (continued)**

**2.10 Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**3. Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates are based on the directors' best knowledge of the amount, actual results ultimately may differ from those estimates. The areas involving a higher degree of judgement and complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below:

**Impairment of investments**

The principal activity of the company is to act as a holding company for underlying subsidiaries and associates. As a result the main risk facing the company is the underlying trade of the investments not supporting the carrying value.

Investments are subject to impairment when there are indicators, such as, the net assets of the underlying company being less than the carrying value of the investments, adverse trade conditions in the underlying investments, cessation of trade in the underlying investments, significant losses in the year in the underlying investments and impairment of fixed assets in the underlying investments in the year.

Where the carrying value exceeds the estimated recoverable amount (being the greater of fair value less costs of disposal and value-in-use), an impairment loss is recognised by writing down the investments to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. The estimates of future cash flows exclude cash inflows or outflows attributable to financing activities and income tax. Impairment losses arising in respect of investments are not reversed once recognised.

**4. Operating profit/(loss)**

The operating profit/(loss) is stated after (crediting)/charging:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Bank charges	<b>1</b>	<b>—</b>
Foreign exchange (gain)/loss	<b>(598)</b>	<b>485</b>

**SUEZ WATER TECHNOLOGIES & SOLUTIONS UNITED KINGDOM**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**5. Interest receivable and similar income**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Interest receivable from other group companies	—	2
	<u>—</u>	<u>2</u>

**6. Interest payable and similar expenses**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Other interest payable	646	260
	<u>646</u>	<u>260</u>

From the £646,000 interest payable in 2021 £157,000 pertains to 2020.

**7. Tax on loss**

Tax charged in the Profit and Loss Account

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Current taxation</b>		
UK corporation tax	—	—
Corporation tax paid in Norway on branch office of subsidiary SWTS UK Limited Partnership	9	—
<b>Total current tax</b>	<u>9</u>	<u>—</u>

**SUEZ WATER TECHNOLOGIES & SOLUTIONS UNITED KINGDOM**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**7. Tax on loss (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the period is higher than (2020 - *higher than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £000	2020 £000
Loss before tax	<u>(4,784)</u>	<u>(2,963)</u>
Corporation tax at the standard rate of 19% (2020 - 19%)	(909)	(563)

**Effects of:**

Expenses not deductible for tax purposes	1,023	422
Effects of group relief/ other reliefs	126	—
Partnership allocation	(771)	(483)
Amounts not recognised	531	624
Corporation tax paid in Norway on branch office of subsidiary SWTS UK Limited Partnership	(9)	—

**Total tax (charge) / credit**

<u>(9)</u>	<u>—</u>
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**Factors that may affect future tax charges**

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

**Deferred tax**

There are £1,211,000 of deductible temporary differences (2020: £385,000) and £2,397,000 (2020: £1,901,000) of unused tax losses for which no deferred tax asset is recognised in the balance sheet.

Deductible temporary differences increased by £267,000 as a result of a revision of the 2020 amounts, by £206,000 as a result of a change of the future corporation tax rate from 19% to 25% and by £353,000 as a result of 2021 movements calculated at the future corporation tax rate of 25%. Unused tax losses decreased by £342,000 as a result of a revision of the 2020 amounts, increased by £492,000 as a result of a change of the future corporation tax rate from 19% to 25% and increased by £346,000 as a result of 2021 movements calculated at the future corporation tax rate of 25%.

Deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**SUEZ WATER TECHNOLOGIES & SOLUTIONS UNITED KINGDOM**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**8. Fixed asset investment**

	Investments in subsidiary companies £000	Investments in associates undertakings £000	Total £000
<b>Cost</b>			
At 1 January 2021	22,318	13,720	36,038
At 31 December 2021	<u>22,318</u>	<u>13,720</u>	<u>36,038</u>
<b>Accumulated impairment</b>			
At 1 January 2021	22,315	8,850	31,165
Charge for the period	—	4,735	4,735
At 31 December 2021	<u>22,315</u>	<u>13,585</u>	<u>35,900</u>
<b>Net book value</b>			
At 31 December 2021	<u>3</u>	<u>135</u>	<u>138</u>
At 31 December 2020	<u>3</u>	<u>4,870</u>	<u>4,873</u>

The directors of the company have undertaken a review of the company's investment in group undertakings as at 31 December 2021. This has resulted in a write-off of £4,735,000 (2020: £2,213,000), the investment having been valued at the company's share of the net asset of the group undertaking.

Details of the statutory undertakings as at 31 December 2021 are as follows:

Name of subsidiary	Principal Activity	Registered office	Class of shares held	Proportion of ownership interest
Monsal Holdings Limited	Holding entity activities	1 Ashley Road, 3rd Floor, Altrincham, Cheshire, WA14 2DT, United Kingdom	Ordinary	100%
Monsal Limited*	Trading activities	1 Ashley Road, 3rd Floor, Altrincham, Cheshire, WA14 2DT, United Kingdom	Ordinary	100%

\*Indirect holding

**SUEZ WATER TECHNOLOGIES & SOLUTIONS UNITED KINGDOM**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**8. Fixed asset investment (continued)**

Details of the associate undertaking as at 31 December 2021 are as follows:

<b>Name of associate</b>	<b>Principal Activity</b>	<b>Registered Office</b>	<b>Proportion of ownership interest</b>
SUEZ Water Technologies & Solutions (UK) Limited Partnership	Manufacturing and sales activity	Hydro House, Newcombe Way, Peterborough, PE2 6SE, Cambridgeshire	47.21%

**9. Debtors**

	<b>2021 £000</b>	<b>2020 £000</b>
Amounts owed by group undertakings	<b>199</b>	<b>686</b>
	<b>199</b>	<b>686</b>

Cash pool amounts owed by group undertakings of £199,000 (2020: £550,000) are interest bearing, unsecured and repayable on demand at a variable annual interest rate between 0.02% and 0.05%. Other amounts owed by group undertakings of £nil (2020: £136,000) are interest free, unsecured and repayable on demand.

**10. Cash and cash equivalents**

	<b>2021 £000</b>	<b>2020 £000</b>
Cash at bank	<b>388</b>	<b>398</b>

**11. Creditors: Amounts falling due within one year**

	<b>2021 £000</b>	<b>2020 £000</b>
Amounts owed to group undertakings	<b>26,423</b>	<b>26,861</b>
	<b>26,423</b>	<b>26,861</b>

Loans owed to group undertakings are unsecured, repayable on demand and have different interest rates associated. One has a fixed rate of 1.93% and the other a variable rate of three month Euribor plus 236 basis points.

Other amounts to group undertakings of £164,000 (2021: £153,000) are unsecured, interest free and repayable on demand.

**SUEZ WATER TECHNOLOGIES & SOLUTIONS UNITED KINGDOM**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**12. Called up share capital**

Allotted, called up and fully paid shares

	No.	2021 £	No.	2020 £
Ordinary Shares of £1 each	310	310	310	310

The Company is owned 100% by Ondeo Industrial Solutions UK Limited.

**13. Staff costs**

The company had no employees during the year (2020: Nil).

**14. Directors' remuneration**

No directors received any remuneration in respect of services to the company during the current or preceding financial year. All of the directors are/were also employees of a group undertaking and do not specifically receive any remuneration in respect of the company. It was not possible to determine an appropriate proportion of their services on behalf of the company.

**15. Auditors' remuneration**

Remuneration of £4,500 paid to the auditors for their services in current year. Remuneration of £4,500 was paid in 2020 and this was borne by a fellow group undertaking.

**16. Ultimate parent undertaking and controlling party**

The company's immediate parent is Ondeo Industrial Solutions UK Limited, a company registered at Suez House, Grenfell Road, Maidenhead, Berkshire, United Kingdom, SL6 1ES.

The ultimate controlling party and the parent undertaking of both the largest and the smallest groups of undertakings of which the Company is a member and for which group financial statements are drawn up is Veolia Water Technologies & Solutions SA, which is incorporated in France. The Group's headquarter is at 1, Place Montgolfier - 94417 Saint-Maurice - France. The consolidated financial statements of this company are available to the public and may be obtained upon request.

In January 2022 the Veolia Group acquired the majority of the capital and voting rights of Veolia Water Technologies & Solutions SA (at the date of the acquisition called Suez Water Technologies & Solutions SA). and became the new ultimate parent.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**17. Post balance sheet events**

In 2022 the entity became part of the Veolia Group. On 25 August 2022 the United Kingdom's Competition and Market Authority published its final report on the merger of the Suez and the Veolia Groups. The report includes remedies necessary to avoid competition issues within the United Kingdom. The remedies have no impact on the future operation of Suez Water Technologies & Solutions United Kingdom.

**Business Impact in Relation to the War in the Ukraine**

The company has no customers or vendors in Russia or in the Ukraine. Therefore, the war in the Ukraine has no direct impact on the company. Nevertheless, the war is anticipated to have an impact on the general economic environment.

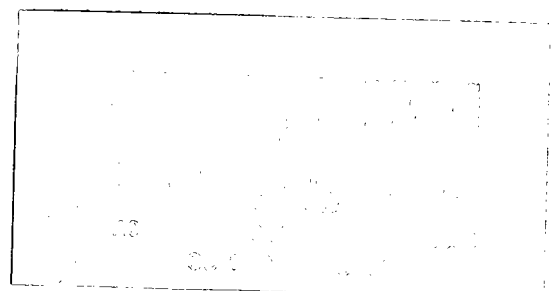
There were no significant events between the Statement of Financial Position date and the date of signing of the financial statements, affecting the company, which require adjustment to or disclosure in the financial statements.

Registration number: LP009326

# **SUEZ Water Technologies & Solutions (UK) Limited Partnership**

## **Annual Report and Financial Statements**

**For the Year Ended 31 December 2021**





# SUEZ Water Technologies & Solutions (UK) Limited Partnership

## COMPANY INFORMATION

### Directors

R Gray  
R Brook  
A Stewart  
C Jeffery  
M Smith

### Company secretary

Oakwood Corporate Secretary Limited

### Registered number

LP009326

### Registered office

Hydro House  
Newcombe Way  
Orton Southgate  
Peterborough  
Cambridgeshire  
PE2 6SE

### Independent auditors

Ernst & Young LLP  
Bedford House  
16 Bedford Street  
Belfast  
BT2 7DT

# **SUEZ Water Technologies & Solutions (UK) Limited Partnership**

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# SUEZ Water Technologies & Solutions (UK) Limited Partnership

## Strategic Report

The partners present their Strategic Report for the year ended 31 December 2021.

### Fair review of the business

The results for the year and the financial position of the partnership are shown in the financial statements and notes on pages 13 to 29.

The Partnership measures its financial performance by reference to turnover and operating profit margin.

The revenue of the Partnership in 2021 was £40,867,000 (2020: £52,783,000). Gross profit margin remained fairly consistent at 36.4% (2020: 35.8%).

The Partnership's loss for the financial year increased in the year and amounted to £10,023,000 (2020: Loss of £5,977,000).

The Partnership's key financial and other performance indicators during the year were as follows:

	2021	2020	Definition, method of calculation
Turnover (%)	(22.58)%	(5.68)%	Year on year growth in sales expressed as a percentage.
Operating Margin (%)	(23.52)%	(12.13)%	Operating margin is the ratio of operating loss to sales expressed as a percentage.

Turnover decreased by 22.58% due to several factors. Project revenues decreased from £8,524,000 to £4,411,000 (-48%) as they relate to significant, one-off projects which are not recurring and where large fluctuations are natural. On the other hand, revenue from the sale of chemicals and related services increased from £23,512,000 to £24,104,000 (+3%). Services and recharges to other Suez companies decreased from £17,839,000 to £10,275,000 (-42%). Revenue from the sale of membranes decreased from £2,908,000 to £2,077,000 (-29%).

Operating loss compared to Sales decreased from 12.13% to 23.52%. The main factor in this is less revenue and margin generated with projects and higher cost recharges from and lower cost recharges to other Suez companies.

### Principal risks and uncertainties

The Covid-19 pandemic, which the World Health Organization declared a public health emergency on January 30, 2020, had a significant impact on the economies of the countries where SUEZ operates over the year. The economic impact of the Covid-19 health crisis is tending to wane, notably through access to vaccination and a decrease in case numbers and mortality due to the emergence of new variants, such as Omicron. Nevertheless, it is anticipated that the Covid-19 pandemic will continue to have an impact on the upcoming financial years.

Essential and vital public service missions have been fulfilled in all regions. The Group has set up the necessary measures to enable all of its teams and subcontractors to work without jeopardizing their safety or their clients' safety.

# SUEZ Water Technologies & Solutions (UK) Limited Partnership

## Strategic Report (continued)

### **Business Impact in Relation to the War in the Ukraine**

The company has no customers or vendors in Russia or in the Ukraine. During 2021 the company had purchases from a Suez Group company in Russia in amount of £28,000 and sales to the same company in amount of £11,000, neither of which is material. No further purchases and sales were made in 2022 up to the point of approving the financial statements. Therefore, the war in the Ukraine has no direct impact on the company. Nevertheless, the war is anticipated to have an impact on the general economic environment.

### **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk comprises three types of risk: interest rate risk, currency risk, and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, and financial investments in equity instruments.

### **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Partnership is exposed to this risk as it has financial instruments which accrue interest at variable market interest rates. However, this risk is limited as all such financial instruments are with Veolia Water Technologies & Solutions SA who is providing financial support to the Partnership.

### **Credit risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Partnership is exposed to this risk from its operating activities.

Receivables are assessed for credit risk on a monthly basis. This is based on the type and age of receivables. The credit risk per type and age is determined based on past experience and it is updated periodically. The partnership is providing for expected credit loss on trade receivables and group receivables not owned by Veolia Water Technologies & Solutions SA. Receivables which have no further probability of recovery are written off. No general provision is recorded for group receivables owned by Veolia Water Technologies & Solutions SA as Veolia Water Technologies & Solutions SA is providing financial support to the partnership. However, receivables which have no further probability of recovery are written off. Credit loss on cash is not provided for as this is assessed to be not material.

### **Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market currency rates. However, this risk is limited as most financial instruments denominated in foreign currencies are with related companies controlled by Veolia Water Technologies & Solutions SA who is providing financial support to the Partnership.

### **Liquidity risk**

The Partnership monitors its risk of a shortage of funds. The Partnership's objective is to maintain a balance between continuity of funding and flexibility through the use of both loans and equity. The Partnership has access to a sufficient variety of sources of funding and can rely on the financial support of its ultimate parent and the other entities in the group.

Furthermore, given that the repayments on the loan borrowings held by the Partnership comprise only interest payments up until the maturity date, the Partnership has elected not to present the undiscounted future cash flows of the loan given that the capital amount owing at the maturity date would approximate the current value.

# SUEZ Water Technologies & Solutions (UK) Limited Partnership

## Strategic Report (continued)

### Section 172 Report

The Companies (Miscellaneous Reporting) Regulations 2018 (the “Regulations”) have been in force with effect from 1 January 2019. The Regulations aim to extend sustainable and responsible governance practice beyond listed companies to private limited companies. Amongst other things, the Regulations require the Partnership to report how the members of the Partnership have considered their duties under section 172 (of the Companies Act 2006 (the “Act”)) (“Section 172”), to promote the success of the Partnership, during the reporting period.

The Partnership is part of the Veolia Water Technologies & Solutions SA group of companies in the UK. These are referred to as VWTS. As of 31. December 2021 the majority owner of VWTS was Suez S.A. Suez S.A. and its subsidiaries are referred to as the Group. In January 2022 the Veolia Group acquired the majority of the capital and voting rights of the Suez Water Technologies and Solutions group of companies.

In the management of its subsidiaries, VWTS defines the measurement of success as long term value creation for the benefit of both the immediate entity and the wider VWTS. The Partnership’s corporate purpose is to be the main VWTS entity in the UK providing various chemical and equipment technologies, solutions and services within the UK. A key principle applied by our members and the key management personnel is to always consider whether the decision they are about to take leads to a positive long-term increase in the value of the Partnership for the benefit of the shareholder, and ultimately Veolia S.A..

As part of the overall governance approach, VWTS operates a matrix organisation with the relevant key management positions throughout VWTS having appropriate levels of governance across all subsidiaries as part of its approach to risk mitigation. VWTS maintains strong levels of governance at both an enterprise wide and legal entity level.

#### **Decision making and corporate governance process**

VWTS has put in place a matrix organisation with key operational and functional management having clear processes to follow when considering decisions, including principal decisions, which are strategically and commercially material decisions which impact the Partnership’s key stakeholders. Responsibility for decision making on certain decisions, including principal decisions, is delegated to the key operational and functional management with VWTS except where they cannot be delegated under the Act. The Board confirms and ratifies any decisions made on its behalf.

As part of the governance process, decision paper preparers must ensure sufficient information is provided to the appropriate decision makers with high levels of quality and integrity. The governance process provides a framework to ensure everyone involved in and contributing to the decision making process understands the duties which the directors are obligated to consider in the decision making process and applicable regulations, in order to be able to provide relevant information and therefore lead to effective decision making.

#### **Directors’ and Key Management Personnels Training**

VWTS’s Legal and Compliance programmes support VWTS in operating sustainably and consistently with its values which includes leading with integrity and building enduring relationships. VWTS’s Legal and Compliance team provides advice, guidance and support to management and works closely with them to provide training to our employees. Legal and Compliance provides support on a range of matters, including establishing policies and procedures, providing compliance training, communications and legal advice on compliance and business issues.

Employees and directors of VWTS, which include the members of the Partnership, are provided with regular Code of Business Conduct training. Certain employees, determined according to the risk profile of their role, undertake annual advanced compliance training covering Anti-Bribery, Anti-trust, Anti-Fraud and Anti-Theft. The training provided enables the directors to be committed to operating the business to the highest ethical, moral and legal standards when making decisions and putting VWTS’s core ethical values of integrity, honesty and respect for the law into practice in their daily duties.

# SUEZ Water Technologies & Solutions (UK) Limited Partnership

## Strategic Report (continued)

### Board Composition

The Partnership's Board, which comprises 5 directors representing the relevant partner entities, collectively have a broad range of skills, knowledge and industry experience and are supported with VWTS experts on finance and legal matters to enable the Partnership to meet the needs of its business and for the directors to each carry out their role and statutory duties to a high standard. The Board's collective experience enables them to consider a broad range of stakeholders in their deliberations and decision making and align the decisions to the corporate purpose of the Partnership in providing financial support to other companies within VWTS.

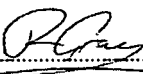
Before any director is to be appointed to the Board, consultation with VWTS is undertaken to ensure the composition of the Board is appropriate, taking into consideration the skills and experience of the appointee and the overall diversity mix.

### Stakeholder Engagement

The Partnership's key stakeholders are its shareholder, creditors and other VWTS companies which it provides support to. As part of VWTS, the Board must consider how the decisions made on behalf of the Partnership affect both the shareholder and the other VWTS companies to ensure the success of the Partnership and value creation for the shareholder and ultimately, Veolia S.A.. VWTS's treasury activities are coordinated through a central function who manage the financial risks of VWTS and secure funding for VWTS. On behalf of the Partnership, VWTS frequently engages with its creditors and credit agencies as part of VWTS's financial risk management processes and to ensure the Partnership's levels of borrowings are appropriate for its needs.

Where a principal decision is to be made, an impact assessment will be undertaken through the matrix organisation, the results of which will be documented for recommendation to the Board or appropriate matrixed management function, where the decision has been delegated. The impact assessment will provide an assessment of the impact of the principal decision on key stakeholders, how each key stakeholders' interest was considered throughout the assessment process, details of any risks identified and resulting actions proposed to be taken to monitor and mitigate those risks and consideration of any potential impacts on the Partnership's reputation and how that impact will be monitored.

Approved by the partners on 10/02/23 and signed on its behalf on 14/02/23 by:

  
.....  
R. Gray,  
Partner

# SUEZ Water Technologies & Solutions (UK) Limited Partnership

## Members' Report

The partners present their annual report and the audited financial statements for the year ended 31 December 2021.

### Principal activity

The principal activity of the partnership is the manufacturing and sale of chemicals for water treatment.

### Partners and partners' interest

The partners who held office during the year and up to the date of signing the partners' report were as follows:

Ionics (U.K.) Limited

SUEZ Water Technologies & Solutions Holdings UK

SUEZ Water Technologies & Solutions United Kingdom

SUEZ Water Technologies & Solutions Services UK Limited

### Results and dividends

The loss for the year, after taxation, amounted to £10,023,000 (2020: Loss of £5,977,000).

The management committee have not authorized any drawings (2020: £nil).

As at 31 December 2021, the respective interests of the partners were as follows:

SUEZ Water Technologies & Solutions United Kingdom (being entitled to 47.21% of the profits of the partnership).

SUEZ Water Technologies & Solutions Holdings UK (being entitled to 0.01% of the profits of the partnership).

Ionics (U.K.) Limited (being entitled to 26.39% of the profits of the partnership).

SUEZ Water Technologies & Solutions Services UK Limited (being entitled to 26.39% of the profits of the partnership).

### Going concern

For the year ended 31 December 2021 the partnership incurred a loss of £10,023,000 and as at 31 December 2021, net current liabilities of £18,468,000 and net assets of £293,000 (2020: net current liabilities of £15,874,000 and net assets of £10,316,000). For this reason the partners have obtained a letter of support from Veolia Water Technologies & Solutions SA. The letter of support confirms that Veolia Water Technologies & Solutions SA will provide financial support to assist the partnership to meet its liabilities as and when they fall due, but only to the extent that money is not otherwise available to the partnership to meet its liabilities. This commitment of support is for the period to 29 February 2024, which is consistent with the partners going concern assessment period and is at least 12 months from the date of approval of this report. The partners have assessed the ability of the intermediate parent entity to provide this support and are satisfied that there are no concerns. Therefore, the partners have a reasonable expectation that the partnership can continue as a going concern for a period to 29 February 2024. Accordingly, the financial statements have been prepared on a going concern basis.

# SUEZ Water Technologies & Solutions (UK) Limited Partnership

## Members' Report (continued)

### Greenhouse gas emissions

The environmental performance has been reported in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, Scope 2 Guidance and Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

The Scope 2 emissions have been calculated according to the dual reporting principles of the Greenhouse Gas Protocol Scope 2 Guidance (market and location based method). In our total carbon footprint calculations, the market-based Scope 2 emissions are used.

The greenhouse gas emissions calculation has been conducted based on actual vehicle fleet fuel consumption, facilities' energy consumption and waste generation in our operations. Data on business air travel emissions have been collected centrally through a global travel agency.

### Greenhouse gas emissions in tCO<sub>2</sub>e

	2021	2020
Scope 1 - Direct emissions	171.00	232.00
Scope 2 - Indirect emissions	10.00	35.00
Scope 3 - Other indirect emissions (business travel)	358.00	337.00
<b>Total</b>	<b>539.00</b>	<b>604.00</b>

### Greenhouse gas emissions in tCO<sub>2</sub>e per employee

	2021	2020
Scope 1 - Direct emissions	0.70	0.97
Scope 2 - Indirect emissions	0.04	0.14
Scope 3 - Other indirect emissions	1.46	1.41
<b>Total</b>	<b>2.20</b>	<b>2.52</b>

### Energy consumption

	2021	2020
Energy consumption in MWh	38.62	135.26

### Employees

	2021	2020
Average monthly number of employees, including Directors	244	239

Detailed information on Suez's global approach to sustainability and further analysis of our Greenhouse gas emissions and energy consumption can be found in the Sustainability Report available at [www.suez.com](http://www.suez.com).

### Post balance sheet events

In 2022 the company became part of the Veolia Group. In June 2022 the Partnership made an investment in a joint venture (JV) with a party external to the Veolia Group. The JV has a contract with an end user and is also the employer of an operations and maintenance contract ("the O&M Contract") with the Partnership. On 25 August 2022 the United Kingdom's Competition and Market Authority published its final report on the merger of the Suez and the Veolia Groups. The report includes remedies necessary to avoid competition issues within the United Kingdom. The implementation of remedies have no impact on the future operation of the Partnership except for the following: the O&M contract as well as the investment in the JV needs to be transferred to outside the Veolia Group. The O&M Contract is only planned to start generating revenue in 2024. No amounts have been recognized in connection with the O&M Contract in the financial statements. The planned transfer of the Contract has no significant impact on the Partnership's ability to continue operating as a going concern.



# SUEZ Water Technologies & Solutions (UK) Limited Partnership

## Members' Report (continued)

### Post balance sheet events (continued)

In January 2022 the Veolia Group acquired the majority of the capital and voting rights of Veolia Water Technologies & Solutions SA and became the new ultimate parent.

There were no significant events between the Statement of Financial Position date and the date of signing of the financial statements, affecting the company, which require adjustment to or disclosure in the financial statements.

### Business Impact in Relation to the War in the Ukraine

The company has no customers or vendors in Russia or in the Ukraine. During 2021 the company had purchases from a Suez Group company in Russia in amount of £ 28,000 and sales to the same company in amount of £ 11,000, neither of which is material. No further purchases and sales were made in 2022 up to the point of approving the financial statements. Therefore, the war in the Ukraine has no direct impact on the company. Nevertheless, the war is anticipated to have an impact on the general economic environment.

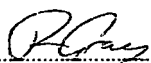
### Disclosure of information to the auditors

Each partner has taken steps that they ought to have taken as a partner in order to make themselves aware of any relevant audit information and to establish that the limited partnership's auditor is aware of that information. The partners confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

### Reappointment of auditor

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved by the partners on 10/02/23 and signed on its behalf on 14/02/23 by:

  
.....  
R Gray  
Partner

# SUEZ Water Technologies & Solutions (UK) Limited Partnership Statement of Members' Responsibilities

The partners are responsible for preparing the Strategic Report, the Members' Report and the financial statements in accordance with applicable law and regulations.

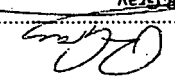
The Partnerships (Accounts) Regulations 2008 require the partners to prepare financial statements for each financial year. Under those regulations the partners have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under the Partnership (Accounts) Regulations 2008 the partners 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 partnership and of the profit or loss of the partnership for that period. In preparing these financial statements, the partners 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 partnership will continue in business.

The partners are responsible for keeping adequate accounting records that are sufficient to show and explain the partnership's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and enable them to ensure that the financial statements comply with the Partnership (Accounts) Regulations 2008. They are also responsible for safeguarding the assets of the partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The partners are responsible for the maintenance and integrity of the corporate and financial information included on the partnership's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the partners on 10/02/23 and signed on its behalf on 14/02/23 by:

  
R. Gray  
Partner

# **SUEZ Water Technologies & Solutions (UK) Limited Partnership**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUEZ WATER TECHNOLOGIES & SOLUTIONS (UK) LIMITED PARTNERSHIP**

### **Opinion**

We have audited the financial statements of SUEZ Water Technologies & Solutions (UK) Limited Partnership for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, and the related notes 1 to 20, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the qualifying partnership's affairs as at 31 December 2021 and of its loss 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 as applied to qualifying partnerships.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the qualifying partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the qualifying partnership's ability to continue as a going concern for a period to 29 February 2024.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the qualifying partnership's ability to continue as a going concern.

# SUEZ Water Technologies & Solutions (UK) Limited Partnership

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUEZ WATER TECHNOLOGIES & SOLUTIONS (UK) LIMITED PARTNERSHIP (CONTINUED)

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained with the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinion on other matters prescribed by the Companies Act 2006 as applied to qualifying partnerships

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Members' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Members' Report have been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In light of the knowledge and understanding of the qualifying partnership and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Members' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to qualifying partnerships 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 Members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

# SUEZ Water Technologies & Solutions (UK) Limited Partnership

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUEZ WATER TECHNOLOGIES & SOLUTIONS (UK) LIMITED PARTNERSHIP (CONTINUED)

### Responsibilities of Members

As explained more fully in the Statement of Members' Responsibilities set out on page 8, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless members either intend to liquidate the partnership or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the qualifying partnership and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the partnership and determined that the most significant are those that relate to the reporting framework (the Companies Act 2006 and FRS 101 'Reduced Disclosure Framework'). In addition, we concluded that there are certain significant laws and regulations that may have an indirect effect on the determination of the amounts and disclosures in the financial statements. These are those laws and regulations relating to employee matters, health and safety and bribery and corruption practices.
- We understood how the partnership is complying with those frameworks by performing enquiries of management. We corroborated our enquiries by performing a review of the partnership's board minutes as well as any applicable correspondence from regulatory bodies. We noted no contradictory evidence.
- We assessed the susceptibility of the partnership's financial statements to material misstatement, including how fraud might occur by meeting with management across the business to understand where they considered there was a susceptibility to fraud. We also considered performance targets and their influence on efforts made by management to manage earnings and how they would achieve that.
- Based on this understanding we designed audit procedures to identify noncompliance with laws and regulations. We considered the risk of fraud through management override of controls and designed testing over manual journals entries as part of our audit approach. We used data analysis to select manual journals with specific risk criteria and obtained supporting evidence for the journals selected.

## SUEZ Water Technologies & Solutions (UK) Limited Partnership

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUEZ WATER TECHNOLOGIES & SOLUTIONS (UK) LIMITED PARTNERSHIP (CONTINUED)

- We also assessed that revenue was a judgemental area of the audit which is more susceptible to fraud. We obtained an understanding of the controls over the process for the recognition of revenue and performed testing of these controls. We tested, the occurrence of the revenue recorded in the financial statements and any manual adjustments to revenue that met specific risk criteria. These procedures included tracing transactions and manual adjustments back to source documentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the qualifying partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to qualifying partnerships. Our audit work has been undertaken so that we might state to the qualifying partnership'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 qualifying partnership's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Neil Corry (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Belfast

Date: 15 February 2023

# SUEZ Water Technologies & Solutions (UK) Limited Partnership

## Statement of Comprehensive Income for the Year Ended 31 December 2021

	Note	2021 £000	2020 £000
<b>Turnover</b>	<b>4</b>	<b>40,867</b>	<b>52,783</b>
Cost of sales		(26,001)	(33,889)
<b>Gross profit</b>		<b>14,866</b>	<b>18,894</b>
Distribution costs		(1,652)	(4,154)
Administrative expenses		(23,213)	(23,897)
Other operating income	5	389	2,752
<b>Operating loss</b>	<b>6</b>	<b>(9,610)</b>	<b>(6,405)</b>
Interest receivable and similar income	7	—	966
Interest payable and similar expenses	8	(413)	(538)
<b>Loss for the financial year</b>		<b>(10,023)</b>	<b>(5,977)</b>
Other comprehensive income		—	—
<b>Total comprehensive loss for the year</b>		<b>(10,023)</b>	<b>(5,977)</b>

The above results were derived from continuing operations.

The notes on pages 17 to 29 form an integral part of these financial statements.

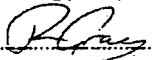
# SUEZ Water Technologies & Solutions (UK) Limited Partnership

Registration number: LP009326

## Balance Sheet as at 31 December 2021

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Intangible assets	11	1,502	2,101
Tangible assets	12	20,256	26,667
		<u>21,758</u>	<u>28,768</u>
<b>Current assets</b>			
Stocks	13	2,538	2,288
Debtors: amounts falling due within one year	14	20,386	17,821
Cash at bank		868	932
		<u>23,792</u>	<u>21,041</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>(42,260)</u>	<u>(36,915)</u>
<b>Net current liabilities</b>		<u>(18,468)</u>	<u>(15,874)</u>
<b>Total assets less current liabilities</b>		<u>3,290</u>	<u>12,894</u>
Creditors: amounts falling due after more than one year	15	(401)	(170)
Provisions for liabilities	16	(2,596)	(2,408)
<b>Net assets</b>		<u>293</u>	<u>10,316</u>
<b>Capital and reserves</b>			
Partners' capital contribution accounts		66,982	66,982
Other reserves		320	320
Limited partners' income account		(67,009)	(56,986)
<b>Partners' funds</b>		<u>293</u>	<u>10,316</u>

Approved by the partners on 10/02/23 and signed on its behalf on 14/02/23 by:

  
R. Gray  
Partner

The notes on pages 17 to 29 form an integral part of these financial statements.



# SUEZ Water Technologies & Solutions (UK) Limited Partnership

## Statement of Changes in Equity

for the Year Ended 31 December 2021

	Partners' capital contribution accounts	Other reserves	Limited partners' income account	Partners' funds
	£000	£000	£000	£000
At 1 January 2021	66,982	320	(56,986)	10,316
<b>Comprehensive loss for the year</b>				
Loss for the financial year	—	—	(10,023)	(10,023)
Total comprehensive loss for the year	—	—	(10,023)	(10,023)
At 31 December 2021	66,982	320	(67,009)	293

### Partners' capital contribution accounts

In business and partnership law, contribution refers to a capital contribution, which is an amount of money or assets given to a business or partnership by one of the owners or partners. The capital contribution increases the owner or partner's equity interest in the entity.

### Other reserves

Other reserves includes employee share based payment reserve.

### Limited partners' income account

Retained earnings includes all current and prior period profit and losses.

The notes on pages 17 to 29 form an integral part of these financial statements.

# SUEZ Water Technologies & Solutions (UK) Limited Partnership

## Statement of Changes in Equity

for the Year Ended 31 December 2020

	Partners' capital contribution accounts	Other reserves	Limited partners' income account	Partners' funds
	£000	£000	£000	£000
At 1 January 2020	66,982	320	(51,009)	16,293
<b>Comprehensive loss for the year</b>				
Loss for the financial year	—	—	(5,977)	(5,977)
Total comprehensive loss for the year	—	—	(5,977)	(5,977)
At 31 December 2020	66,982	320	(56,986)	10,316

The notes on pages 17 to 29 form an integral part of these financial statements.

# SUEZ Water Technologies & Solutions (UK) Limited Partnership

## Notes to the Financial Statements

### 1. General information

The partnership is a limited partnership incorporated and domiciled in the United Kingdom.

The address of its registered office is:

Hydro House  
Newcombe Way  
Orton Southgate  
Peterborough  
Cambridgeshire  
PE2 6SE

### 2. Accounting policies

#### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101') and the Companies Act 2006 as applied to qualifying partnerships.

In preparing these financial statements, the partnership applies the recognition, measurement and disclosure requirements of UK adopted International Accounting Standards, but makes amendments where necessary in order to comply with Companies Act 2006 as applied to qualifying Partnerships and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Limited partnership's accounting policies (see note 3).

The name of the ultimate parent company is Veolia Water Technologies & Solutions SA. The Group's headquarter is at 1, Place Montgolfier - 94417 Saint-Maurice - France. The consolidated financial statements of this company are available to the public and may be obtained upon request.

# SUEZ Water Technologies & Solutions (UK) Limited Partnership

## Notes to the Financial Statements(continued)

### 2. Accounting policies (continued)

#### 2.2 Summary of disclosure exemptions

The partnership has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73( e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118( e) of IAS 38 Intangible Assets, and
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- the requirements of paragraphs 134(d)-134(f) and 135(c )-135(e ) of IAS 36 Impairment of Assets.

#### 2.3 Going concern

The financial statements have been prepared on a going concern basis, notwithstanding net current liabilities of £18,468,000 and net assets of £293,000 (2020: net current liabilities of £15,874,000 and net assets of £10,316,000).

The Partners have reviewed the financial position of the Partnership, including the arrangements with group undertakings. The Partners have considered the financial position of the Partnership's immediate group and ultimate parent.

For the year ended 31 December 2021 the partnership incurred a loss of £10,023,000 and as at 31 December 2021, net current liabilities of £18,468,000 and net assets of £293,000 (2020: net current liabilities of £15,874,000 and net assets of £10,316,000). For this reason the partners have obtained a letter of support from Veolia Water Technologies & Solutions SA. The letter of support confirms that Veolia Water Technologies & Solutions SA will provide financial support to assist the partnership to meet its liabilities as and when they fall due, but only to the extent that money is not otherwise available to the partnership to meet its liabilities. This commitment of support is for the period to 29 February 2024, which is consistent with the partners going concern assessment period and is at least 12 months from the date of approval of this report. The partners have assessed the ability of the intermediate parent entity to provide this support and are satisfied that there are no concerns. Therefore, the partners have a reasonable expectation that the partnership can continue as a going concern for a period to 29 February 2024. Accordingly, the financial statements have been prepared on a going concern basis.

# SUEZ Water Technologies & Solutions (UK) Limited Partnership

## Notes to the Financial Statements(continued)

### **2. Accounting policies (continued)**

#### **2.4 Revenue recognition**

Turnover comprises revenue recognised by the Partnership in respect of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the Statement of Comprehensive Income turnover and related costs as contract activity progresses. When a contract is split into phases, turnover and profit may be recognised separately within each phase.

Turnover is calculated as that proportion of contract phase value, which costs to date bear to total expected costs for that phase of the contract.

#### **2.5 Foreign currency transactions and balances**

The accounts are presented in sterling which is the Partnership's functional and presentational currency. The accounts are presented in thousands.

Transactions in foreign currencies are recorded using a monthly average operating exchange rate. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate ruling at the balance sheet date. The gains or losses arising are included in the Statement of Comprehensive Income.

#### **2.6 Tax**

The partnership is not a taxable entity for the purpose of direct tax and accordingly no provision is made in these financial statements for corporation taxation in respect of the partnership.

#### **2.7 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and any accumulated losses.

##### **Depreciation**

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

# SUEZ Water Technologies & Solutions (UK) Limited Partnership

## Notes to the Financial Statements(continued)

### 2. Accounting policies (continued)

#### 2.7 Tangible fixed assets (continued)

Asset class	Depreciation method and rate
Buildings and site improvements	20 to 25 years straight line
Plant and machinery	3 to 20 years straight line
Freehold land is not depreciated	
Right of use assets	Over the operating lease period

The right-of-use asset is subject to testing for impairment if there is an indicator for impairment, as for owned assets.

#### 2.8 Intangible assets

##### Goodwill

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. Goodwill is stated at cost less any accumulated impairment loss. Goodwill is allocated to cash-generating units. It is not amortised but is tested annually for impairment.

To assess potential impairment of the goodwill carrying value at the balance sheet date, the partners consider if there has been any material change in the underlying customer relationships in relation to the acquired business. This is considered by reviewing the ongoing business and attrition rates of the acquired customer relationships.

##### Customer lists

Customer lists are stated at cost less accumulated amortisation. Customer lists have a finite useful life of 5 years and are carried at cost less accumulated amortisation.

#### 2.9 Inventories

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

#### 2.10 Long-term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for the contingencies and anticipated future losses on contracts, less amounts

received as progress payments on account. Excess progress payments are included in creditors as payments on account.

#### 2.11 Pensions

The partnership is a member of a larger group pension scheme providing benefits based on final pensionable pay. The group pension scheme, SUEZ Pension Plan, covers a number of United Kingdom entities of SUEZ. Because the partnership is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by IAS 19 'Employee Benefits', the scheme has been accounted for, in these financial statements as if the scheme was a defined contribution scheme.

# SUEZ Water Technologies & Solutions (UK) Limited Partnership

## Notes to the Financial Statements(continued)

### 2. Accounting policies (continued)

#### 2.11 Pensions (continued)

The Partnership also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the partnership in an independently administered fund. The amount charged to the Statement of Comprehensive Income account represents the contributions payable to the scheme in respect of the accounting period.

#### 2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the partnership a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the partnership becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

#### 2.13 Cash and cash equivalents

Cash at bank and in hand includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

#### 2.14 Trade and other receivables

Trade and other receivables are measured at fair value, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### 2.15 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### 2.16 Leases

The Partnership leases various offices, warehouse and equipment.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Partnership, except for short term leases of 12 months or less and low value asset lease which are expensed off in the statement of profit or loss on a straight-line basis over the lease term.

Lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease.

# SUEZ Water Technologies & Solutions (UK) Limited Partnership

## Notes to the Financial Statements(continued)

### 2. Accounting policies (continued)

#### 2.16 Leases (continued)

The right-of-use asset is depreciated over the useful life of the underlying asset. The right-of-use asset is subject to testing for impairment if there is an indicator, as for owned assets.

Right-of-use assets are included in the headings "right of use assets" and the lease liabilities in the headings "Creditors amounts falling due within one year" and "Creditors amounts falling due after more than one year".

### 3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires the partners to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates are based on the partners' best knowledge of the amount, actual results ultimately may differ from those estimates. The areas involving a higher degree of judgement and complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below:

#### Goodwill

Goodwill is subject to impairment testing on an annual basis and at any time during the year if an indicator of impairment is considered to exist. The impairment testing process requires management to make significant judgements and estimates regarding the future cash flows expected to be generated by the use of and, if applicable, the eventual disposal of goodwill as well as other factors to determine the fair value. Management periodically evaluates and updates the estimates based on the conditions which influence these variables.

Where the carrying value exceeds the estimated recoverable amount (being the greater of fair value less costs of disposal and value-in-use), an impairment loss is recognised by writing down the goodwill to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

The estimates of future cash flows exclude cash inflows or outflows attributable to financing activities and income tax.

#### Useful economic lives of fixed assets

In the application of the partnership's accounting policy, judgement is exercised by management in the determination of residual values and useful lives.

The annual depreciation charge for fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed periodically.

They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of fixed assets and note 2 for the useful economic lives for each class of assets.



## SUEZ Water Technologies & Solutions (UK) Limited Partnership

### Notes to the Financial Statements(continued)

#### 4. Turnover

The analysis of the partnership's turnover for the year from continuing operations is as follows:

	2021	2020
	£ 000	£ 000
Sale of chemical and membrane products	26,181	26,420
Sales from projects	4,411	8,524
Services and recharges to group companies	10,275	17,839
	<u>40,867</u>	<u>52,783</u>

A geographical analysis of turnover is as follows:

	2021	2020
	£ 000	£ 000
United Kingdom	34,268	40,815
Rest of European Union	4,518	8,189
Rest of the world	2,081	3,779
	<u>40,867</u>	<u>52,783</u>

#### 5. Other operating income

The analysis of the Partnership's other operating income for the year is as follows:

	2021	2020
	£000	£000
Gain on sale of fixed assets	26	2,463
Income from key account management charges	91	467
Payroll tax recovery	—	9
Difference on foreign exchange	272	(187)
	<u>389</u>	<u>2,752</u>

#### 6. Operating loss

Operating loss is stated after charging/(crediting) :

	2021	2020
	£000	£000
Depreciation expense	3,444	3,127
Amortisation of right of use assets	289	63
Amortisation of intangible fixed assets (note 11)	599	599
Gain on sale of fixed assets	(26)	(2,463)

## SUEZ Water Technologies & Solutions (UK) Limited Partnership

### Notes to the Financial Statements (continued)

#### 7. Interest receivable and similar income

	2021 £000	2020 £000
Other interest receivable	—	966
	<u>—</u>	<u>966</u>

#### 8. Interest payable and similar charges

	2021 £000	2020 £000
Other interest payable	413	538
	<u>413</u>	<u>538</u>

The interest payable is generated from cash pool accounts with intercompany entities.

#### 9. Staff costs

Staff costs were as follows:

	2021 £000	2020 £000
Wages and salaries	13,920	12,445
Social security costs	1,475	1,541
Pension costs, defined benefit scheme	1,868	1,724
	<u>17,263</u>	<u>15,710</u>

The average number of persons employed by the partnership during the year, analysed by category was as follows:

	2021 No.	2020 No.
Production	5	5
Sales and administration	239	234
	<u>244</u>	<u>239</u>

# SUEZ Water Technologies & Solutions (UK) Limited Partnership

## Notes to the Financial Statements (continued)

### 10. Auditor's remuneration

	2021 £000	2020 £000
Audit of financial statements	24	21
	<u>24</u>	<u>21</u>

### 11. Intangible fixed assets

	Customer lists acquired £000	Goodwill £000	Total £000
<b>Cost</b>			
At 1 January 2021	2,993	44,870	47,863
Additions	—	—	—
Transfers	—	—	—
At 31 December 2021	<u>2,993</u>	<u>44,870</u>	<u>47,863</u>
<b>Accumulated amortisation/ impairment</b>			
At 1 January 2021	1,728	44,034	45,762
Charge for the year	599	—	599
At 31 December 2021	<u>2,327</u>	<u>44,034</u>	<u>46,361</u>
<b>Carrying amount</b>			
At 31 December 2021	<u>666</u>	<u>836</u>	<u>1,502</u>
At 31 December 2020	<u>1,265</u>	<u>836</u>	<u>2,101</u>

# SUEZ Water Technologies & Solutions (UK) Limited Partnership

## Notes to the Financial Statements(continued)

### 12. Tangible fixed assets

	Freehold land £000	Building and site improvements £000	Plant & machinery £000	Right of use assets £000	Total £000
<b>Cost</b>					
At 1 January 2021	2,000	3,098	42,811	775	48,684
Additions	—	117	2,424	529	3,070
Transfers	—	—	(394)	394	—
Disposals	—	—	(7,560)	(212)	(7,772)
At 31 December 2021	<u>2,000</u>	<u>3,215</u>	<u>37,281</u>	<u>1,486</u>	<u>43,982</u>
<b>Accumulated depreciation</b>					
At 1 January 2021	—	1,883	19,677	457	22,017
Charge for the year	—	67	3,377	289	3,733
Transfers	—	—	—	—	—
Disposals	—	—	(1,849)	(175)	(2,024)
At 31 December 2021	<u>—</u>	<u>1,950</u>	<u>21,205</u>	<u>571</u>	<u>23,726</u>
<b>Carrying amount</b>					
At 31 December 2021	<u>2,000</u>	<u>1,265</u>	<u>16,076</u>	<u>915</u>	<u>20,256</u>
At 31 December 2020	<u>2,000</u>	<u>1,215</u>	<u>23,134</u>	<u>318</u>	<u>26,667</u>

### 13. Stocks

	2021 £000	2020 £000
Raw materials and consumables	870	1,056
Work in progress	865	702
Finished goods and goods for resale	803	530
	<u>2,538</u>	<u>2,288</u>

The write down of stocks to net realisable value amounted to £nil (2020: £46,000).

# SUEZ Water Technologies & Solutions (UK) Limited Partnership

## Notes to the Financial Statements (continued)

### 14. Debtors

	2021	2020
	£000	£000
<b>Due within one year</b>		
Trade debtors	6,240	6,788
Amounts owed by group undertakings	7,257	6,056
Prepayments and accrued income	6,731	4,932
Other debtors	158	45
	<u>20,386</u>	<u>17,821</u>

Amounts owed by group undertakings are interest free, unsecured and repayable on demand.

### 15. Creditors

	2021	2020
	£000	£000
<b>Due to more than one year</b>		
Lease liability	<u>401</u>	<u>170</u>
<b>Due to within one year</b>		
Trade creditors	4,992	3,822
Accruals and deferred income	2,838	1,878
Amounts owed to group undertakings	30,416	28,704
Social security and other taxes	599	406
Other creditors	563	438
Other provisions	—	189
Payments received on account	1,533	484
Value added tax	801	426
Lease liability	518	568
	<u>42,260</u>	<u>36,915</u>

Cash pool amounts owed to group undertakings of £5,378,000 in 2021 (2020: £2,460,000) are interest bearing, unsecured and repayable on demand at a variable annual interest rate between 0% and 0.69%. Other amounts owed to group undertakings are interest free, unsecured and repayable on demand.

# SUEZ Water Technologies & Solutions (UK) Limited Partnership

## Notes to the Financial Statements (continued)

### 16. Provision for liabilities

	Other provisions £000
As at 1 January 2021	2,408
Charged during the year	188
As at 31 December 2021	<u>2,596</u>

Provision for future possible project losses, expected to be used in 12 months.

### 17. Lease

	2021 £000	2020 £000
<b>(i) Amount recognised in the Balance sheet</b>		
Tangible assets	<u>915</u>	<u>318</u>
<b>Lease liabilities</b>		
Current	518	568
Non-current	<u>401</u>	<u>170</u>
	<u>919</u>	<u>738</u>
<b>(ii) Amount recognised in statement of comprehensive income</b>		
Depreciation of right of use assets	289	63
Interest included in finance costs	<u>2</u>	<u>(8)</u>
	<u>291</u>	<u>55</u>

Future minimum lease payments as at 31 December 2021 are as follows:

	2021 £000	2020 £000
<b>Right of use assets</b>	<b>Right of use assets</b>	
No later than one year	518	568
Later than one year and not later than five years	401	170
	<u>919</u>	<u>738</u>

# SUEZ Water Technologies & Solutions (UK) Limited Partnership

## Notes to the Financial Statements (continued)

### 18. Pension commitments

The partnership is a member of a group pension plan providing benefits based on final pensionable pay. The group pension plan, SUEZ Pension Plan, covers a number of United Kingdom entities of SUEZ. Because the partnership is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by IAS 19 "Employee Benefits", the scheme had been accounted for in the financial statements as if the scheme was a defined contribution scheme. The funding surplus/deficit in respect of this scheme is disclosed in the financial statements of Veolia Water Technologies & Solutions SA, a company registered in France.

The partnership also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the partnership in an independently administered fund. The amount charged to the Statement of Comprehensive Income represents the contributions payable to the scheme in respect of the accounting period.

The pension charge for the year was £1,868,000 (2020: £1,724,000), including £1,868,000 (2020: £1,724,000) in respect of the defined contribution scheme. There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

### 19. Ultimate parent undertaking and controlling party

At 31 December 2021, SUEZ Water Technologies & Solutions United Kingdom was entitled to 47.21% of the profits of the partnership, with SUEZ Water Technologies & Solutions Holdings UK entitled to 0.01%, Ionics (U.K.) Limited entitled to 26.39% and SUEZ Water Technologies & Solutions Services UK Limited entitled to 26.39%.

The ultimate controlling party and the parent undertaking of both the largest and the smallest groups of undertakings of which the Partnership is a member and for which group financial statements are drawn up is Veolia Water Technologies & Solutions SA, which is incorporated in France. The Group's headquarter is at 1, Place Montgolfier - 94417 Saint-Maurice - France. The consolidated financial statements of this company are available to the public and may be obtained upon request. There is a change in the parent and intermediate controlling party which has been mentioned in the note 20.

### 20. Post balance sheet events

In 2022 the company become part of the Veolia Group. On 25 August 2022 the United Kingdom's Competition and Market Authority published its final report on the merger of the Suez and the Veolia Groups. The report includes remedies necessary to avoid competition issues within the United Kingdom. The implementation of remedies have no impact on the future operation of the Partnership except for one contract which was planned to start generating turnover in 2024 and which is now planned to be transferred to Suez Industrial Water Limited. Suez Industrial Water Limited is planned to be sold to outside the Veolia Group. No amounts have been recognized in connection with this contract in the financial statements. The planned transfer has no significant impact on the Partnership's ability to continue operating as a going concern.

In January 2022 the Veolia Group acquired the majority of the capital and voting rights of Suez Water Technologies and Solutions S.A. -now Veolia Water Technologies & Solutions SA- and became the new ultimate parent.

There were no significant events between the Statement of Financial Position date and the date of signing of the financial statements, affecting the company, which require adjustment to or disclosure in the financial statements.