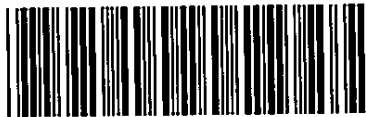


**Report of the Directors and
Financial Statements for the 15 months ended 31 July 2013
for
Pims (Services) Holdings Limited**

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COMPANIES HOUSE

Pims (Services) Holdings Limited

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Pims (Services) Holdings Limited

Company Information
for the 15 months ended 31 July 2013

DIRECTORS: P Lewington
M Sowter

SECRETARY: M Sowter

REGISTERED OFFICE: Private Road No1
Colwick Park Industrial Estate
Nottingham
NG4 2AN

REGISTERED NUMBER: 05280926

AUDITOR Deloitte LLP
Chartered Accountants and Statutory Auditor
Southampton
UK

BANKERS: Natwest
PO Box 34
15 Bishopsgate
165 High Street
Southampton
SO14 2NZ

Pims (Services) Holdings Limited

Report of the Directors for the 15 months ended 31 July 2013

During the period the company changed its accounting reference date to 31 July and, consequently, the directors present their report together with the financial statements of the company for the 15 months ended 31 July 2013

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemptions

PRINCIPAL ACTIVITY

The principal activity of the company during the period was that of a holding company. There were no changes in the company's activity in the period under review, and the company did not trade in its own right.

On 5 February 2013, the entire share capital of Pims Environmental Services Limited, the company's previous ultimate parent company, was acquired by Xylem Water Solutions UK Limited.

DIRECTORS

The directors who served during the period and to the date of signing this report were as follows,

C White
M Bell (resigned 10 July 2013)
P Lewington (appointed 5 February 2013)
M Sowter (appointed 5 February 2013)

C White resigned as a director of the company on 1 August 2013.

GOING CONCERN

The directors are aware that there will always be an element of economic uncertainty around making a going concern assessment. However, on 16 April 2014 the directors received a letter of support from Xylem Water Solutions UK Limited, confirming that Xylem Water Solutions UK Limited will continue to provide financial support in order that the company meet its financial obligations for a minimum of twelve months from the date of these financial statements being signed. Following a review of the forecasts and working capital requirements of both the company and Xylem Water Solutions UK Limited, the directors are satisfied that Xylem Water Solutions UK Limited has the ability to provide this support. Thus they continue to adopt the going concern basis in preparing the financial statements.

DIRECTORS' LIABILITIES

The company has indemnified one or more directors of Pims (Services) Holdings Limited against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force during the period and remains in place to the date of this report.

Pims (Services) Holdings Limited

Report of the Directors (continued) for the 15 months ended 31 July 2013

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information. This information is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

AUDITOR

Pursuant to Section 487(2) of the Companies Act 2006, the auditor will be deemed to be re-appointed and Deloitte LLP will therefore continue in office.

ON BEHALF OF THE BOARD:



M Sowter - Director

Date 23 April 2014

Report of the Independent Auditor to the Members of Pims (Services) Holdings Limited

We have audited the financial statements of Pims (Services) Holdings Limited for the period ended 31 July 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditor and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 July 2013 and of its result for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.


Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us, or
- the company 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.



Gregory Culshaw ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants & Statutory Auditor
Southampton, United Kingdom

Date

24/04/14

Pims (Services) Holdings Limited

Profit and Loss Account for the 15 months ended 31 July 2013

		15 month Period ended 31/7/13 £	Year ended 30/4/12 £
	Notes		
Administrative expenses		<u>(65)</u>	<u>(65)</u>
OPERATING LOSS AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	5	(65)	(65)
Tax on loss on ordinary activities	6	<u>15</u>	<u>-</u>
LOSS FOR THE FINANCIAL PERIOD		<u><u>(50)</u></u>	<u><u>(65)</u></u>

CONTINUING OPERATIONS

All activity is derived from continuing operations in the current period and previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the losses for the current period or previous year

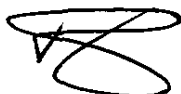
The notes form part of these financial statements

Pims (Services) Holdings Limited

Balance Sheet 31 July 2013

	Notes	31 July 2013 £	30 April 2012 £
FIXED ASSETS			
Investments	7	10,766,694	10,766,694
CURRENT ASSETS			
Debtors	8	60,015	3,422
Cash at bank		-	69,872
		<u>60,015</u>	<u>73,294</u>
CREDITORS			
Amounts falling due within one year	9	<u>(10,765,701)</u>	<u>(10,778,930)</u>
NET CURRENT LIABILITIES		<u>(10,705,686)</u>	<u>(10,705,636)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES BEING NET ASSETS		<u>61,008</u>	<u>61,058</u>
CAPITAL AND RESERVES			
Called up share capital	11	1	1
Profit and loss account	12	<u>61,007</u>	<u>61,057</u>
SHAREHOLDER'S FUNDS	16	<u>61,008</u>	<u>61,058</u>

The financial statements of Pims (Services) Holdings Limited, registered number 05280926, were approved by the Board of Directors on 23 April 2014 and were signed on its behalf by



M Sowter - Director

The notes form part of these financial statements

Pims (Services) Holdings Limited

Notes to the Financial Statements for the 15 months ended 31 July 2013

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

Going concern

The directors are aware that there will always be an element of economic uncertainty around making a going concern assessment. However, on 16 April 2014 the directors received a letter of support from Xylem Water Solutions UK Limited, confirming that Xylem Water Solutions UK Limited will continue to provide financial support in order that the company meet its financial obligations for a minimum of twelve months from the date of these financial statements being signed. Following a review of the forecasts and working capital requirements of both the company and Xylem Water Solutions UK Limited, the directors are satisfied that Xylem Water Solutions UK Limited has the ability to provide this support. Thus they continue to adopt the going concern basis in preparing the financial statements

Consolidated accounts

The company is exempt from the requirements to prepare group accounts by virtue of section 400 of the Companies Act 2006. These accounts therefore present information about the company as an individual undertaking and not about its group.

Cash flow statement

The directors have taken advantage of the exemption in FRS 1 (revised) from including a cashflow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes consolidated financial statements.

Investments

Investments held as fixed assets are stated at cost less any provision for impairment.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Related party transactions

The company is a wholly owned subsidiary of Pims Environmental Services Limited ("Pims"), the consolidated accounts of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with other wholly owned undertakings of the Pims group.

3 STAFF COSTS

No staff, excluding directors are employed by the company, and so no staff costs have been incurred during the period.

Pims (Services) Holdings Limited

Notes to the Financial Statements - continued for the 15 months ended 31 July 2013

4 DIRECTORS' EMOLUMENTS

	Period ended 31/7/13	Year ended 30/4/12
	£	£
Directors' remuneration	843,658	206,093
Directors' pension contributions to money purchase schemes	<u>10,758</u>	<u>8,572</u>

The directors of the company may also act as directors for other entities within the Pims group. The amounts shown represent remuneration in respect of qualifying services to the company and all subsidiaries of this company. The remuneration for these qualifying services is borne by other group companies.

P Lewington and M Sowter received remuneration from Xylem Water Solutions UK Limited where their emoluments are disclosed. No remuneration in respect of their services to the company was charged to the profit and loss account in the current period and it is not practicable to split out the remuneration relating to this company and others in the group.

Information regarding the highest paid director is as follows

	Period ended 31/7/13	Year ended 30/4/12
	£	£
Emoluments	457,225	117,195
Pension contributions to money purchase schemes	<u>5,252</u>	<u>4,185</u>

In addition, the highest paid director received compensation for loss of office of £62,159.

5 OPERATING LOSS

Auditor's remuneration of £Nil (2012-£5,010) is borne by another group company.

6 TAXATION

Analysis of the tax credit

The tax credit on the loss on ordinary activities for the period was as follows

	Period ended 31/7/13	Year ended 30/4/12
	£	£
Current tax		
UK corporation tax	<u>(15)</u>	<u>-</u>

Factors affecting the tax charge

The tax assessed for the period is the same as the standard rate of corporation tax in the UK.

Pims (Services) Holdings Limited

Notes to the Financial Statements - continued for the 15 months ended 31 July 2013

6 TAXATION- continued

	Period ended 31/7/13	Year ended 30/4/12
	£	£
Loss on ordinary activities before tax	<u>(65)</u>	<u>(65)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.73 % (2012 - 25.83%)	(15)	(17)
Effects of Group relief received for nil payment	<u>-</u>	<u>17</u>
Current tax credit	<u>(15)</u>	<u>-</u>

Factors that may affect future tax charges

In the Finance Bill 2012 enacted on 3 July 2012 tax changes were put in place to decrease the rate of UK corporation tax from 26% to 24% with effect from April 2012. The further reduction of the tax rate to 23% was substantively enacted with effect from 1 April 2013. In the Finance Bill substantively enacted on 2 July 2013 tax changes were put in place to decrease the rate of UK corporation tax to 21% with effect from 1 April 2014 and to 20% with effect from 1 April 2015.

The effect on the company of these proposed changes to the UK tax system will be reflected in the company's financial statements in future years, as appropriate, once the proposals have been substantially enacted.

7 FIXED ASSET INVESTMENTS

*Subsidiary
undertakings*
£

COST AND NET BOOK VALUE

At 1 May 2012
and 31 July 2013

10,766,694

The company owns 100% of the ordinary share capital of Pims (Services) Limited and, through Pims (Services) Limited, the company also owns 100% of the ordinary share capital of Pims Pumps Limited. Both companies are incorporated in England and Wales and were engaged in the design, assembly and installation and servicing of waste water pumping systems. On 1 August 2013, the trade and net assets of these companies were transferred to Xylem Water Solutions UK Limited. The companies have not traded since that time.

8 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 July 2013	30 April 2012
	£	£
Amounts owed by group undertakings	60,000	2,806
Corporation tax recoverable	15	-
Other debtors	<u>-</u>	<u>616</u>
	<u>60,015</u>	<u>3,422</u>

Pims (Services) Holdings Limited

Notes to the Financial Statements - continued for the 15 months ended 31 July 2013

9 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 July 2013	30 April 2012
	£	£
Amounts owed to group undertakings	<u>10,705,701</u>	<u>10,778,930</u>

No interest was charged in respect of amounts owed to group undertakings

10 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within the following periods

	31 July 2013	Other operating leases 30 April 2012
	£	£
Expiring		
Within one year		-
Between one and five years	<u>9,353</u>	<u>9,353</u>
	<u>9,353</u>	<u>9,353</u>

11 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			31 July 2013	30 April 2012
Number	Class	Nominal value	£	£
1	Ordinary shares	£1	<u>1</u>	<u>1</u>

12 RESERVES

	<i>Profit and loss account £</i>
At 1 May 2012	61,057
Deficit for the period	<u>(50)</u>
At 31 July 2013	<u>61,007</u>

Pims (Services) Holdings Limited

Notes to the Financial Statements - continued for the 15 months ended 31 July 2013

13 GUARANTEES

At 30 April 2012 the company had cross-guaranteed the bank borrowings of the intermediate parent company, Pims Environmental Services (Holdings) Limited by way of a fixed and floating charge. The potential liability under the guarantee was £14,125,000. The bank borrowings were repaid during the 15 months ended 31 July 2013.

At 30 April 2012, it had also provided a guarantee in respect of loan notes issued by Pims Environmental Services (Holdings) Limited by way of a second fixed and floating charge over the assets of the company. At 30 April 2012 the liabilities covered by this guarantee totalled £27,373,846. The obligations under these loan notes were settled during the period ended 31 July 2013.

14 RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption in FRS 8 not to disclose transactions with wholly owned subsidiaries of Pims Environmental Services Limited.

15 ULTIMATE CONTROLLING PARTY

The company's immediate parent undertaking is Pims Group Limited, a company registered in England and Wales. On 5 February 2013, the entire share capital of Pims Environmental Services Limited, the company's previous ultimate parent company was acquired by Xylem Water Solutions UK Limited. In the opinion of the directors, the ultimate holding company is now Xylem Corporation incorporated in the United States.

The smallest and largest group to consolidate these financial statements is Pims Environmental Services Limited (the Pims group), a company registered in England and Wales. Copies of its group accounts are available from Companies House.

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	Period ended 31/7/13 £	Year ended 30/4/12 £
Loss for the financial period	(50)	(65)
Net decrease of shareholder's funds	(50)	(65)
Opening shareholder's funds	61,058	61,123
Closing shareholder's funds	61,008	61,058