



MODERNWATER

9 March 2011

**Modern Water plc
("Modern Water" or "the Group")**

Modern Water plc, the owner of leading water technologies focused on addressing the scarcity of fresh water, the treatment of wastewater, and monitoring of water quality, announces Full-Year Results for the 12 months ended 31 December 2010

Highlights

- * First evaporative cooling system installed and operating ahead of expectations
- * Omani desalination plant performance recognised at government and industry level
- * Group financial position remains strong with £19.3 million cash and no debt
- * Post year-end, Cogent Environmental acquisition bolsters water monitoring offering
- * Post year-end, further sales of Cymtox units in important Chinese market

Commenting on the results, Modern Water Executive Chairman Neil McDougall said:

"We are proud to have recorded many important achievements across the Group during 2010. In the first half of the year we began operating our first Manipulated Osmosis (MO) evaporative cooling system in Oman. Testing has exceeded expectations and the potential for our technology to reduce power consumption and expenditure costs within a commercial setting has now been proven.

"Our existing desalination plant in Oman received important recognition during the year following a visit by the country's Public Authority for Electricity and Power. The authority verified that operating expenditure is significantly reduced compared with a standard reverse osmosis plant. Modern Water also impressed leading trade journal, Water Desalination Report, which visited both Omani plants and gave the MO technology its highest ranking.

"During the year there have also been important commercial trials of our AguaCure technology and a further strengthening of the Group's patent portfolio.

"After the year-end, we announced the acquisition of Cogent Environmental, a global environmental and process monitoring business. This addition to Modern Water has paved the way for the establishment of MW Monitoring, a new division focused on the water monitoring market. The division will also incorporate Cymtox, our existing toxicity monitoring business, which has recently delivered further sales of the Cymtox CTM™ units in China.

"The Group remains in a strong financial position with £19.3 million cash at 31 December 2010, and no debt. The key drivers for the business remain firmly in place and we are committed to bringing new water technologies to the global marketplace. We continue to focus on growing Modern Water's commercial foot-print, through our own operations and attractive investments within the global water sector."

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Notes to Editors

Modern Water plc is a leading water technology company, headquartered in the UK and its shares trade on the AIM market of the London Stock Exchange. Modern Water owns and develops technologies that help to address the global problems of fresh water availability, the treatment of wastewater and monitoring of water quality.

Modern Water's patented Manipulated Osmosis (MO) platform technology can be applied across a number of industries including, but not limited to, desalination, evaporative cooling systems, secondary oil recovery and Hydro Osmotic Power.

Modern Water's MW Monitoring division is focused on the instrumentation and monitoring industry. It brings together Cymtox, a water toxicity monitoring business, and Cogent Environmental, a global provider of environmental and process monitoring products and services.

The Group's technology portfolio also includes AguaCure – a technology for removing dissolved contaminants from water without the use of chemicals; and PWL – a wastewater treatment system based on seawater substitution.

Modern Water targets water-stressed regions such as the Middle East, Asia, Australasia, the Mediterranean and the Caribbean. Managed by an executive team with extensive experience in the water industry, Modern Water is at the leading edge of new and important technology, which is vital to the future sustainability of the world's most precious commodity.

www.modernwater.co.uk

Chairman's Statement

I am pleased to report on another successful year for Modern Water as the Group continues to build on the growth, deployment and commercialisation of our core technologies. In 2009, I reported that significant progress had been achieved with our platform Manipulated Osmosis (MO) desalination technology and first revenues were generated for our Cymtox CTM™ (Continuous Toxicity Monitor). In 2010, we built on this success to achieve further progress across our pipeline of technologies. We also received endorsement of the benefits of our technologies from respected industry experts and most importantly, from our customers.

Manipulated Osmosis progress

Our first commercial-scale MO evaporative cooling system was installed and commissioned in Sohar, Oman in 2010. The process was completed within a very short time frame and a comprehensive trial is now ongoing. The plant is operating beyond our expectations, proving that the MO cooling tower application significantly reduces operating expenditure, typically achieving a saving of 50% compared to a system supplied with desalinated water. Capital expenditure is also reduced compared with traditional Reverse Osmosis (RO) methods. Our evaporative cooling system has generated a great deal of interest and we have been approached by a number of parties interested to discuss deployment of the technology.

Further to the success of our evaporative cooling system, the MO desalination plant at Al Khaluf, Oman, has been producing water for public supply since November 2009. The extended trial period with the Public Authority for Electricity and Power (PAEW) confirms results that the MO desalination plant significantly reduces operating expenditure when compared with a standard RO plant. Commenting to the Water Desalination Report (see below) on our technology, the Chairman of the PAEW stated that, 'We knew that this was difficult seawater to treat, but it is important that we provide a safe, reliable water supply for the local residents. We thought that this would be a good test for Modern Water and its technology.' The plant is robust, producing high quality water into public supply under tough conditions. Due to the success of the Al Khaluf plant, we are currently in discussions regarding further desalination projects across the Middle East.

Industry expert verification

In November 2010, leading water industry journal, Water Desalination Report (WDR), published by Global Water Intelligence, visited our two plants in Oman. Its subsequent findings concluded that our operations are robust and delivering significant savings under extremely challenging conditions, noting, 'it is hard to imagine a more difficult location in which to install a membrane desalination system'. Following the performance review of the Group's MO desalination plant in Al Khaluf and the cooling tower application in Sohar, WDR awarded Modern Water a 'co-efficient of desalination reality' (CDR) score of 8.9 (out of a maximum of 10). This is the joint highest score that WDR has awarded since it began measuring the relative strengths of various new technologies in the desalination industry three years ago.

The WDR also states '...whilst the company expected to clean the FO membranes less frequently than the existing SWRO...they did not expect that they would not have to clean them at all'. WDR recognises that the process significantly reduces the costs of chemicals used. The conventional SWRO system operating alongside the MO plant cleans its membranes twice a month and has replaced all membranes twice during the last year.

Further commercialisation of product pipeline

Post year-end, in February 2011 the Group acquired Cogent Environmental, a global provider of state-of-the-art environmental and process monitoring products, technologies and services. The company complements Modern Water's existing monitoring business, Cymtox, and as a result of the purchase we have established a new division, MW Monitoring. The launch of MW Monitoring provides access to additional manufacturing capability and established routes to market. Cymtox has already enjoyed initial order flow from China and we are now experiencing an accelerated order book with an influx of new orders recently received. The creation of MW Monitoring consolidates our activities in the instrumentation and monitoring industry and demonstrates our commitment to bringing new technology to the water industry.

Maintaining a financially strong position

The Group remains financially strong with £19.3million cash in hand and no debt. With a strong balance sheet and an expert team, we are well placed to develop and grow our portfolio of technologies. In addition, we are currently investigating potential opportunities for the Group to invest strategically in the increasingly attractive global water sector.

Overview

The Group has delivered demonstrable progress in 2010. Our suite of water-related technologies continues to achieve against business objectives and milestones. We enter 2011 well-placed to further strengthen our position within key markets, with the aim of achieving performance excellence and delivering value to all our shareholders. On behalf of the Board I would like to thank the growing team at Modern Water for its commitment as we look ahead to another successful year.

Neil McDougall
Executive Chairman
9 March 2011

Business Review

Manipulated Osmosis

Evaporative cooling systems

The Group's first MO evaporative cooling system was installed at the Oman Methanol Company in Sohar, Oman in June 2010. The plant was fully commissioned by the beginning of September 2010 and is now completing a trial period. To date, the testing has corroborated the key assumption that the MO cooling tower application significantly reduces operating expenditure when compared with a cooling tower supplied with water by Sea Water Reverse Osmosis (SWRO), with a 50% cost saving typically being achieved.

This 'game-changing' technology was presented by Peter Nicoll, the Group's Technical Director, at the 2nd District Cooling Summit in Doha in November 2010. The presentation entitled 'Changing the economics of make-up water – manipulated osmosis delivers significant benefits' outlined the results achieved in Sohar and the benefits of this technology when applied to evaporative cooling systems.

Membrane desalination

The MO desalination plant at Al Khaluf, Oman, has been producing water for public supply since November 2009. The Public Authority for Energy and Water (PAEW) approved an extension to the initial six-month trial period, along with a tariff for supply, to deliver revenue in 2011. The result from the trial confirms that the MO desalination plant significantly reduces operating expenditure when compared with a standard Reverse Osmosis plant. The Group aims to expand operations in the region and has therefore submitted a number of tenders for further plants in the area.

The Group's MO plant in Gibraltar has been exporting product water since May 2009, and continues to supply water into the local distribution system. The plant continues to operate to a high standard, with little or no evidence of fouling.

Patent progress

Significant advances have been made with our patent portfolio, with strong progress on the patent prosecutions which cover the Group's core technologies. These include grant of our Manipulated Osmosis patent in the Gulf Co-Operation Council, and approval for grant in Europe, the USA and Australia; grant of our osmotic energy patent in Australia, India and Japan, and approval for grant in the Gulf Co-operation Council; grant of our forward osmosis cooling system patent in the USA; grant of our secondary oil recovery patent in Mexico; grant of our solar pond separation process in Europe, Mexico and South Africa, and approval for grant in Pakistan; and grant of our patent for wastewater treatment using seawater in Mexico, and approval for grant in the USA.

The broad acceptance of the inventiveness and patentability of these core technologies reinforces and protects the Group's opportunity to exploit these processes and generate value from our previous investments in research and development.

MW Monitoring

In February 2011, the Group purchased Cogent Environmental, a global provider of state-of-the-art environmental and process monitoring products, technologies and services. The acquisition represents an important strategic step for Modern Water's existing water monitoring business, Cymtox, and significantly increases the Group's offering in this developing market segment. As a result, Modern Water has established a new dedicated division, MW Monitoring, to consolidate the Group's activities in the instrumentation and monitoring industry. MW Monitoring will expand organically through collaborations with leading universities and research institutes to develop new products and technologies. It will also grow directly through further acquisitions as opportunities arise.

Cymtox

Market-leading online toxicity monitor Cymtox has made good progress during 2010. The four CTMTM units sold at the end of 2009 were subject to extensive testing by the Chinese Environmental Protection Department (CEPD) at the Chinese National Monitoring Station. The units passed the tests and have been accepted by the CEPD, which represents a significant step forward in a key market. As a direct result of performance in these extended trials, Cymtox's distribution partner in China received a number of orders for further units at the end of 2010, to be fulfilled in 2011. The Chinese market remains the primary opportunity for Cymtox. However, Cymtox is now identifying routes into additional markets through direct trials in the UK and the potential for additional distribution agreements.

Cogent Environmental

Cogent is a global provider of state-of-the-art environmental and process monitoring products, technologies and services. The provision of accurate and timely information concerning potentially harmful materials enables Cogent customers to improve process controls and to protect people, assets and the environment. Compliance with the highest levels of environmental regulation is achieved whilst improving business productivity and performance.

Cogent's online and on-site portable products, OVA and PDV, are used for monitoring heavy metals in over 20 countries. Key applications include: monitoring wastewater discharges to reduce environmental impact and reduce the risks of prosecution by exceeding consent limits; monitoring river water to immediately identify sources of heavy metal pollution; monitoring drinking water to protect from potential metal contamination; and improving process control through real-time feedback in mining and metal processing industries.

The acquisition of Cogent and the launch of MW Monitoring will provide access to additional manufacturing capability and established routes to market. The new division will consolidate and enhance the Group's resources and expertise in the growing market for environmental monitoring and protection.

AguaCure Ltd

AguaCure has successfully completed large scale trials at Honda UK Manufacturing. The results prove that AguaCure's EC process meets economic and discharge targets, with the added advantage of improved process control. Good progress is being made with ongoing EU projects in the removal of nickel from plating wastewater and phosphate removal from dairy waste.

AguaCure has also completed trials with two large UK water utilities. The trials demonstrated that electrocoagulation achieved a greater reduction in phosphate and iron compared to chemical dosing. This is particularly important in the UK water industry since European legislation is driving stricter consents on phosphorus discharge in sewage. AguaCure's success with these applications has led to design improvements and a new patent filing, offering strong competitive advantages in a number of applications.

Market

The Group has identified the Middle East and China as two key markets where water scarcity poses a real threat to economic growth. The average per capita water availability in the MENA region is only 17% of the global average, resulting in an enormous demand for water sources. Growing populations, urbanisation trends and ongoing industrial and real estate development contribute to increasing water demands. Furthermore, China makes up 21% of the world's population but has only 7% of the renewable water resources. Water has been cited as the single biggest impediment to China's long-term success. (Source: Summit Global Management "Introduction to Water Investing 2010")

Intellectual Property

The Group's approach to enhancing and securing further intellectual property remains clear and measured. Good progress has been made with the Group's core patents in the US and Europe, and Modern Water continues to file patents as required in order to protect our core technologies.

Resources

The Group currently employs 29 permanent staff and hires additional staff on a contract basis. Both the technical team and the business development division have increased in size over the reporting period. Where possible, the Group utilises local expertise by employing people from the communities in which it operates.

With the focus of operations now clearly dedicated to commercialisation, the Group launched a new website (www.modernwater.co.uk) in September 2010. The updated site aims for easier navigation, a clearer layout of the Group's strategy and explanation of technology, whilst retaining the Group's core environmental messages.

Risks and uncertainties

The risks inherent in the operation of the Group are well understood by the Board and management. Control measures have been established to ensure that these risks are adequately controlled both in terms of frequency and consequences. Risks and internal control measures are described in more detail in the Corporate Governance Statement in the Annual Report and Accounts.

Financial review

Summary

The financial position of the Group is strong, with £19.3m cash in the bank and no debt at 31 December 2010 (2009: £23.1m cash). The Group generated revenue of £0.03m (2009: £0.06m). The Group's loss increased to £4.1m (2009: £3.6m), primarily due to £0.4m reduction in finance income, as the yields available on term deposits reduced, and increased investment in the technical team and pilot plants.

Accounting policies

The Group financial statements have been prepared in accordance with EU Endorsed IFRS, IFRIC Interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The key accounting policies to note are those concerned with intangible assets and share based payments.

Capital structure

The Group is entirely equity funded which is considered appropriate during the current stage of development. As the Group develops, the capital structure will be reassessed on a project by project basis.

Treasury management

The Group has adopted a low risk approach to treasury management. Cash balances are invested in fixed interest term deposit accounts, with maturity dates to suit projected liquidity requirements. Credit risk is addressed by the Group's treasury policy. Deposits are selected based on achieving the optimum balance of yield, security and liquidity.

Cash flows

The Group cash outflow for the year was £3.9m (2009: £3.7m). The major cash inflow was £0.7m interest on term deposits (2009: £0.9m). Cash outflows comprised £0.1m plant and equipment (2009: £0.5m), £0.1m patents (2009: £0.1m), £0.1m net cash invested in subsidiaries and joint ventures (2009: £0.3m) and £4.2m operating costs and financing activities (2009: £3.7m).

Simon Humphrey
Chief Executive Officer
9 March 2011

Group statement of comprehensive income
Year ended 31 December 2010

	Note	Year ended 31 December 2010 £000	Year ended 31 December 2009 £000
Revenue		27	56
Cost of sales		(2)	(21)
Gross profit		25	35
Administrative expenses	2	(4,489)	(4,380)
Other income		—	6
Operating loss		(4,464)	(4,339)
Finance income		490	849
Finance costs		—	(21)
Share of loss of joint venture		(131)	(145)
Loss on ordinary activities before taxation		(4,105)	(3,656)
Taxation		40	29
Loss and total comprehensive loss for the year		(4,065)	(3,627)
Attributable to:			
Owners of the parent		(4,051)	(3,547)
Non-controlling interests		(14)	(80)
		(4,065)	(3,627)
Loss per share for the year (attributable to owners of the parent)			
Basic loss per share		6.88p	6.03p
Diluted loss per share		6.88p	6.03p

Items in the statement above, in the current and comparative period, are all derived from continuing operations.

Modern Water plc has taken advantage of the exemption provided under section 408 of the Companies Act 2006 not to disclose the parent company statement of comprehensive income. The loss attributed to the parent company in the year was £334,000 (2009: £258,000).

**Group and Company statements of financial position
As at 31 December 2010**

	Note	Group		Company	
		2010 £000	2009 £000	2010 £000	2009 £000
Assets					
Non-current assets					
Property, plant and equipment		942	1,148	—	—
Intangible assets	3	14,366	14,412	—	—
Investments		215	246	15,990	15,665
		15,523	15,806	15,990	15,665
Current assets					
Inventories		20	—	—	—
Trade and other receivables		568	557	9,119	5,815
Cash and cash equivalents		19,252	23,123	19,194	23,056
		19,840	23,680	28,313	28,871
Total assets		35,363	39,486	44,303	44,536
Equity and liabilities					
Equity					
Ordinary shares		147	147	147	147
Share premium account		30,532	30,532	30,532	30,532
Merger reserve		12,782	12,782	12,782	12,782
Retained earnings		(9,133)	(5,394)	726	788
		34,328	38,067	44,187	44,249
Non-controlling interests		—	14	—	—
Total equity		34,328	38,081	44,187	44,249
Liabilities					
Non-current liabilities					
Deferred tax liabilities		350	390	—	—
Current liabilities					
Trade and other payables		685	1,015	116	287
		685	1,015	116	287
Total liabilities		1,035	1,405	116	287
Total equity and liabilities		35,363	39,486	44,303	44,536

Group and Company statements of changes in equity
Year ended 31 December 2010

Group	Ordinary shares £000	Share premium account £000	Merger reserve £000	Retained earnings £000	Total £000	Non- controlling interest £000	Total Equity £000
Balance as at 1 January 2009	147	30,532	12,782	(2,105)	41,356	34	41,390
Comprehensive loss							
Loss and total comprehensive loss for year	—	—	—	(3,547)	(3,547)	(80)	(3,627)
Total comprehensive loss	—	—	—	(3,547)	(3,547)	(80)	(3,627)
Transactions with owners							
Transaction with non-controlling interest	—	—	—	—	—	60	60
Share-based payments	—	—	—	258	258	—	258
Total transactions with owners	—	—	—	258	258	60	318
Balance as at 1 January 2010	147	30,532	12,782	(5,394)	38,067	14	38,081
Comprehensive loss							
Loss and total comprehensive loss for year	—	—	—	(4,051)	(4,051)	(14)	(4,065)
Total comprehensive loss	—	—	—	(4,051)	(4,051)	(14)	(4,065)
Transactions with owners							
Share-based payments	—	—	—	312	312	—	312
Total transactions with owners	—	—	—	312	312	—	312
Balance as at 31 December 2010	147	30,532	12,782	(9,133)	34,328	—	34,328
Company							
Balance as at 1 January 2009	147	30,532	12,782	783	44,244	—	44,244
Comprehensive loss							
Loss and total comprehensive loss for year	—	—	—	(258)	(258)	—	(258)
Total comprehensive loss	—	—	—	(258)	(258)	—	(258)
Transactions with owners							
Share-based payments	—	—	—	263	263	—	263
Total transactions with owners	—	—	—	263	263	—	263
Balance as at 1 January 2010	147	30,532	12,782	788	44,249	—	44,249
Comprehensive loss							
Loss and total comprehensive loss for year	—	—	—	(334)	(334)	—	(334)
Total comprehensive loss	—	—	—	(334)	(334)	—	(334)
Transactions with owners							
Treasury shares	—	—	—	(35)	(35)	—	(35)
Share-based payments	—	—	—	307	307	—	307
Total transactions with owners	—	—	—	272	272	—	272
Balance as at 31 December 2010	147	30,532	12,782	726	44,187	—	44,187

The merger reserve resulted from the acquisition of Surrey Aquatechnology Limited on 12 June 2007 and represents the fair value of equity-based consideration.

Group and Company statements of cash flows
Year ended 31 December 2010

	Group		Company	
	2010 £000	2009 £000	2010 £000	2009 £000
Cash flows from operating activities				
Cash used in operations	(4,185)	(3,648)	(4,406)	(3,692)
Net cash flows used in operating activities	(4,185)	(3,648)	(4,406)	(3,692)
Cash flows from investing activities				
Purchase of property, plant and equipment	(122)	(540)	—	—
Purchase of patents and development costs	(134)	(100)	—	—
Acquisition of subsidiaries, net of cash acquired	—	(285)	—	(885)
Acquisition of joint venture	(100)	—	(100)	—
Interest received	669	875	669	874
Net cash flows generated from/(used in) investing activities	313	(50)	569	(11)
Cash flows from financing activities				
Treasury shares	—	—	(35)	—
Cash-settled share-based payments	(4)	(5)	—	—
Repayment of borrowings	—	(8)	—	—
Net cash flows used in financing activities	(4)	(13)	(35)	—
Net decrease in cash and cash equivalents	(3,876)	(3,711)	(3,872)	(3,703)
Cash and cash equivalents at the beginning of the year	23,123	26,855	23,056	26,779
Exchange gains/(losses) on bank balances	5	(21)	10	(20)
Cash and cash equivalents at the end of the year	19,252	23,123	19,194	23,056

Notes to the consolidated financial statements

1. Authorisation and basis of preparation

The board of directors approved these results on 9 March 2011. The financial information set out above is abridged and does not constitute the Group's statutory financial statements for the year to 31 December 2010. Statutory financial statements for the year ended 31 December 2010 have been reported on by the Group's auditors. The report for the year ended 31 December 2010 was unqualified.

The principal accounting policies have been applied consistently throughout the year, unless otherwise stated, in the preparation of these financial statements. The financial statements of Modern Water plc have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, IFRIC Interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2010:

- IFRS 3 (revised) 'Business combinations', and consequential amendments to IAS 27, 'Consolidated and separate financial statements', IAS 28, 'Investments in associates', and IAS 31, 'Interests in joint ventures'. The revised standard continues to apply the acquisition method to business combinations, with some significant changes. Changes to measurement of the fair value of payments made to acquire a business and the goodwill arising. Transaction costs are expensed. The effect of all transactions with non-controlling interests are recorded in equity if there is no change in control and these transactions will no longer result in goodwill gains and losses. The investment in AguaCure Ltd on 5 February 2010 was not impacted as the consideration was for the issue of new shares and not a transaction with a non-controlling interest. Effective for annual reporting periods commencing on or after 1 July 2009;
- IFRIC 16, 'Hedges of a net investment in a foreign operation'. This has no impact on these financial statements. Effective for annual reporting periods commencing on or after 1 July 2009;
- IFRIC 17, 'Distributions of non-cash assets to owners'. Guidance on accounting for distribution of non-cash assets to shareholders. This has no impact on these financial statements. Effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009;
- IFRIC 18, 'Transfers of assets from customers'. This has no impact on these financial statements. Effective for annual reporting periods commencing on or after 1 July 2009;
- 'Additional exemptions for first-time adopters' (Amendment to IFRS 1) was issued in July 2009. The amendments are required to be applied for the annual periods beginning on or after 1 January 2010. This is not relevant to the Group, as it is an existing IFRS preparer; and
- Improvements to International Financial Reporting Standards 2009 were issued in April 2009. The effective dates vary standard to standard but most are effective 1 January 2010.

2. Administrative expenses

	Year ended 31 December 2010 £000	Year ended 31 December 2009 £000
Employee benefits expense	1,769	1,826
Share-based payments	316	263
Depreciation, amortisation and impairment charges	492	429
Minimum lease payments recognised as an operating lease expense	139	133
Research and development	366	336
Auditors' remuneration	167	60
Other administrative expenses	1,240	1,333
Total administrative expenses	4,489	4,380

3. Intangible assets

Group	Goodwill £000	Patent costs £000	Development costs £000	Research and development acquired as part of a business combination £000	Total £000
At 1 January 2009					
Cost	12,326	265	131	1,690	14,412
Accumulated amortisation	—	(41)	(44)	(192)	(277)
Net book amount	12,326	224	87	1,498	14,135
Year ended 31 December 2009					
Opening net book amount	12,326	224	87	1,498	14,135
Additions	—	100	—	—	100
Transaction with non-controlling interest	345	—	—	—	345
Amortisation charge	—	(22)	(43)	(103)	(168)
Closing net book amount	12,671	302	44	1,395	14,412
At 31 December 2009					
Cost	12,671	365	131	1,690	14,857
Accumulated amortisation	—	(63)	(87)	(295)	(445)
Net book amount	12,671	302	44	1,395	14,412
Year ended 31 December 2010					
Opening net book amount	12,671	302	44	1,395	14,412
Additions	—	134	—	—	134
Amortisation charge	—	(40)	(41)	(99)	(180)
Closing net book amount	12,671	396	3	1,296	14,366
At 31 December 2010					
Cost	12,671	499	131	1,690	14,991
Accumulated amortisation	—	(103)	(128)	(394)	(625)
Net book amount	12,671	396	3	1,296	14,366

4. Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Modern Water plc (the "Company") will be held at 10.00am on 20 April 2011 at the offices of Modern Water plc, Bramley House, The Guildway, Old Portsmouth Road, Guildford GU3 1LR.

5. Availability of Annual Report

Copies of the full statutory accounts will be available from the registered office at Bramley House, The Guildway, Old Portsmouth Road, Guildford GU3 1LR from 24 March 2011 and will also be available on the Company's website at www.modernwater.co.uk.