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BYWATER LIMITED

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

FOR THE 12 MONTHS ENDED 30 JUNE 2010

Company Registered Number 1610968

Bywater Limited

Annual report and financial statements For the 12 months ended 30 June 2010

Company officers and professional advisers

Registered office

AxonCentre
4-12, Church Road
Egham
Surrey TW20 9QB

Tel + 44 (0) 1784 480 800
Fax + 44 (0) 1784 480 900
www.hcl-axon.com

Directors

P R Bansal
S Gupta

Independent auditors

Ernst & Young LLP
1 More London Place
London SE1 2AF

Solicitors

Spring Law Limited
65 Chandos Place
London WC2N 4HG

Bywater Limited

Directors' report For the 12 months ended 30 June 2010

The directors present their annual report and the Company's audited financial statements for the 12 month period to 30 June 2010

Principal activity

The Company's principal activity was the provision of consultancy and training services in all aspects of business transformation. The Company is currently not trading, and it is the directors' intention that the company will not resume trading in the foreseeable future.

Financial results, review of business and future prospects

The results for the year are shown in full in the profit and loss account and the related notes. The financial statements show a profit for the financial year of £ 15,185 (2009 £44,336). No dividends were paid (2009 £nil).

Financial and business risks

As the Company has ceased trading, there are no significant financial or business risks.

Going concern

The company has ceased trading and has sufficient assets to meet its current and future obligations. Hence the financial statements have been prepared on the going concern basis and directors have a reasonable expectation that with the sufficient assets, company will continue in operational existence for the foreseeable future.

Directors

The directors who served during the year and up to the date of signing the financial statements are as follows:

P R Bansal
S Gupta


Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Independent auditors

Subsequent to the year PricewaterhouseCoopers LLP resigned as auditors to the company, and the directors appointed Ernst & Young LLP to fill the casual vacancy. In accordance with s 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General meeting for the reappointment of Ernst & Young LLP as auditor of the Company.

On behalf of the Board


P R Bansal
Director

07 SEP 2010

Company registration number: 1610968

Bywater Limited

Statement of directors' responsibilities For the 12 months ended 30 June 2010

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

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

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent

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.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

Bywater Limited

Independent auditors' report to the members of Bywater Limited

We have audited the financial statements of Bywater Limited for the year ended 30 June 2010 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Ernst + Young LLP

Louise Thomas (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

14 September 2010

Bywater Limited

Profit and loss account For the 12 months ended 30 June 2010

	Note	12 months ended 30 June 2010 £	18 months ended 30 June 2009 £
Other operating income	2	38,861	61,835
Operating profit		38,861	61,835
Profit before taxation on ordinary activities		38,861	61,835
Tax on profit on ordinary activities	4	(23,425)	(17,499)
Profit for the financial year		15,436	44,336

There is no material difference between the results shown in the profit & loss account above and their historical cost equivalents

There are no recognised gains and losses other than those shown in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented

Bywater Limited

Balance sheet as at 30 June 2010

	Note	30 June 2010 £	30 June 2009 £
Current assets			
Debtors	5	1,711,180	1,753,151
		<u>1,711,180</u>	<u>1,753,151</u>
Creditors amounts falling due within one year	6	-	(57,407)
Net current assets		<u>1,711,180</u>	<u>1,695,744</u>
Total assets less current liabilities		<u>1,711,180</u>	<u>1,695,744</u>
Capital and reserves			
Called up share capital	7	55,369	55,369
Share premium account	8	8,965	8,965
Profit and loss account	8	1,646,846	1,631,410
Total shareholders' funds	9	<u>1,711,180</u>	<u>1,695,744</u>

The financial statements on Page 6 to 10 were approved by the board on 6 September 2010 and signed on its behalf by



P R Bansal
Director

Bywater Limited

Notes to the financial statements For the 12 months ended 30 June 2010

1 Accounting policies

Basis of preparation

The financial statements of Bywater Limited were approved for issue by the Board of Directors on 6 September 2010

The financial statements have been prepared on a historical cost basis in accordance with applicable UK accounting standards. The financial statements are presented in pounds sterling (the Company's functional currency) because that is the currency of the primary economic environment in which the Company operates. The principal accounting policies adopted by the Company are set out below.

Cash flow statement

A Cash flow statement has been included in the consolidated financial statements of HCL Technologies Limited, the ultimate parent undertaking. As a wholly owned subsidiary of the ultimate parent undertaking, advantage has been taken of the exemption afforded by FRS 1 Cash Flow Statement (Revised 1996) not to prepare a Cash Flow Statement.

Taxation

Taxation represents the sum of tax currently payable and deferred tax.

Corporation tax payable is based on taxable profit for the year. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as 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 at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Foreign currencies

Foreign currency transactions are booked in local currency at the exchange rate ruling at the date of transaction or at the forward rate if hedged by a forward exchange contract. Foreign currency monetary assets and liabilities are translated into local currency at rates of exchange ruling at the balance sheet date, or at the Forward rate. Exchange differences are included in operating profit.

2. Operating profit

Other operating income represents the gains on foreign currency intercompany balances outstanding.

Auditors' remuneration is dealt with in the financial statements of Axon Solutions Limited for current year and Axon Group Limited for the previous year.

Bywater Limited

Notes to the financial statements

For the 12 months ended 30 June 2010 (continued)

3. Directors and employees

The directors are remunerated for their services to the group by HCL Technologies Limited and are of the belief that the element that relates to this Company is immaterial

The Company has no employees (2009 nil) Hence staff cost during the year is £nil (2009 £nil)

4. Tax on profit on ordinary activities

The tax charge represents

	12 months ended 30 June 2010 £	18 months ended 30 June 2009 £
UK corporation tax based on profits of the period	23,425	17,499
Tax on profit on ordinary activities	23,425	17,499

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows

	12 months ended 30 June 2010 £	18 months ended 30 June 2009 £
Profit on ordinary activities before taxation	38,861	61,835
Profit on ordinary activities multiplied by the effective rate in the UK of 28% (2009 28.3%)	10,881	17,499
Effect of		
Transfer pricing adjustment	12,544	-
Current tax charge for the year	23,425	17,499

5. Debtors

	30 June 2010 £	30 June 2009 £
Amounts owed by Group undertakings	1,711,180	1,753,151

6. Creditors

	30 June 2010 £	30 June 2009 £
Corporation tax	-	57,407
	-	57,407

Bywater Limited

Notes to the financial statements

For the 12 months ended 30 June 2010 (continued)

7. Called up share capital

	30 June 2010		30 June 2009	
	Number	Value	Number	Value
Called up, allotted & fully paid				
Class 'A' Ordinary shares of 5p each	1,016,982	50,849	1,016,982	50,849
Class 'B' Ordinary shares of 4p each	113,000	4,520	113,000	4,520
	1,129,982	55,369	1,129,982	55,369

All shares rank pari passu in all respects save that if a dividend is declared on the 'A' ordinary shares there will be no obligation to declare any or a corresponding dividend on the 'B' ordinary shares and if a dividend is declared on the 'B' ordinary shares there will be no obligation to declare any or a corresponding dividend on the 'A' ordinary shares

8. Reserves

	Share premium	Profit and loss account
	£	£
1 July 2009	8,965	1,631,410
Profit for the financial year	-	15,436
30 June 2010	8,965	1,646,846

9. Reconciliation of movement in shareholders' funds

	2010	2,009
	£	£
Profit for the financial year	15,436	44,336
Opening shareholders' funds	1,695,744	1,651,408
Closing shareholders' funds	1,711,180	1,695,744

10. Parent undertaking and controlling party

The immediate parent undertaking of the Company is Axon Group Limited

The ultimate parent undertaking and controlling party is HCL Technologies Limited, a company registered in India

The largest and smallest group of undertakings for which Group financial statements have been consolidated is that headed by HCL Technologies Limited. Copies of these financial statements can be obtained from A-2, Sector 3, Noida, Uttar Pradesh – 201 301, India

11. Related party transactions

As a wholly owned subsidiary of the ultimate parent company HCL Technologies Limited, the Company is exempted from the requirements of Financial Reporting Standard 8 to disclose transactions with other members of the Group headed by HCL Technologies Limited. There were no other related party transactions during the year