

Biwater Industries Limited

Directors' Report and Financial Statements Year ended 31 March 2008



Registration number 3107022

Biwater Industries Limited

Report of the directors

The directors submit their report and the audited financial statements of the company for the year ended 31 March 2008.

Principal activities

The principal activity of the Company is to run-out its remaining debtors and creditors at which point it will become a dormant company.

Results and dividends

The result for the year was a profit transferred to reserves of £18,773 (2007: loss £44,454). The profit and loss account is shown on page 6.

The directors do not recommend the payment of a dividend (2007 £Nil).

Directors

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

D F W White
D L Magor

Mr D F W White and Mr D L Magor are directors of Biwater Plc, the ultimate parent undertaking.

No directors had any discloseable shareholding interests in any group company during the year.

D F W White and D L Magor served throughout the year under review.

The ultimate parent undertaking maintains a directors' and officers' insurance policy as permitted by the Companies Act 1985.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the forthcoming Annual General Meeting.


Biwater Industries Limited

Report of the directors continued

Small companies' exemption

The report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



M R A Duffy
Company secretary

Registered office:
Biwater House
Station Approach
Dorking
Surrey RH4 1TZ

9 March 2009

Biwater Industries Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 company will continue in business.

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

The directors are responsible for keeping proper accounting records that 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 1985. 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 auditors

So far as each director is aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware and each director has taken all the steps that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors' report to the members of Biwater Industries Limited

We have audited the financial statements of Biwater Industries Limited for the year ended 31 March 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Going Concern

In forming our opinion, we have considered the adequacy of the disclosures made in the accounting policies notes to the financial statements concerning the uncertainty as to the future financial position of the company's ultimate parent undertaking which has committed to provide finance to the company to enable it to meet its liabilities as they fall due. For the reasons explained in the accounting policies section, the directors believe it is appropriate to prepare the financial statements on a going concern basis. In view of the significance of this material uncertainty we consider that it should be drawn to your attention, but our opinion is not qualified in this respect.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Gatwick

10 March 2009

Biwater Industries Limited

Profit and loss account Year ended 31 March 2008

	Note	Year ended 31/3/08 £000	Year ended 31/3/07 Restated £000
Operating profit/(loss)			
Discontinued operations	1	19	(43)
Profit/(loss) on ordinary activities before taxation		19	(43)
Taxation	2	-	(1)
Profit/(loss) for the financial year	7	19	(44)

There are no differences between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the financial years stated above and the historical cost equivalents.

The notes on pages 8 to 11 form part of these accounts

Biwater Industries Limited

Balance sheet As at 31 March 2008

		31/3/08		31/3/07 Restated	
	Note	£000	£000	£000	£000
Current assets					
Debtors	3	16		16	
Creditors: amounts falling due within one year	4	<u>(2)</u>		<u>(2)</u>	
Net current assets			<u>14</u>		<u>14</u>
Creditors : amounts falling due after more than one year	5		<u>(4,102)</u>		<u>(4,121)</u>
Net liabilities			<u>(4,088)</u>		<u>(4,107)</u>
Capital and reserves					
Called up share capital	6	1,036		1,036	
Profit and loss account	7	<u>(5,124)</u>		<u>(5,143)</u>	
Total shareholders' deficit	7		<u>(4,088)</u>		<u>(4,107)</u>

Approved by the board on: 9 March 2009


D L Magor
Director

The notes on pages 8 to 11 form part of these accounts

Biwater Industries Limited

Notes to the financial statements

Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and the Companies Act 1985 on the going concern basis as the ultimate parent undertaking has confirmed that it currently intends to continue to provide financial support for the foreseeable future to enable the company to meet its liabilities as they fall due.

This confirmation is supported by the Group's cash flow projections which reflect the expected future cashflows from the Group's main contracting business activities for the period until July 2010 and assume that the current bank overdraft and loan facilities are renewed by the group's principal bankers and will be available until beyond the end of the forecast period. The Directors of Biwater Plc recognise that the timing and amount of contract cashflows are not certain and may be different from that which is assumed in the cash flow projections. However, the contract cashflows have been prepared on the basis of current discussions with existing and potential customers. The group's overdraft and loan facilities are repayable on demand and are due for review in July 2009. The loans mature on 31 December 2009. However, the bank has confirmed in writing to the Directors that, subject to the bank's normal review procedures, it expects to renew the facilities for a further period.

As a result, the Directors of Biwater Plc have a reasonable expectation that the Group will have sufficient working capital for the foreseeable future. Accordingly, the directors of Biwater Industries Limited believe that it is appropriate for these financial statements to be prepared on a going concern basis.

Accounting convention

The financial statements are prepared under the historical cost convention and using the following accounting policies which have been applied consistently.

Prior year adjustments

The balance sheets as at 31 March 2006 and 2007 have been restated to provide for inter-company balances which are not considered recoverable. This has resulted in a reduction of £46,845 in amounts owed by group undertakings and the profit and loss account reserve at 31 March 2006 and 2007 respectively.

The prior year profit and loss account has been restated to include exchange gains of £71,813 arising on translation of long term inter company accounts. This amount was included in the statement of total recognised gains and losses in the prior year. This restatement has been made as the conditions of SSAP 20 'Foreign currency translation' for the offset of exchange differences on foreign currency borrowings used to finance foreign equity investments were not met.

Discontinued activities

A business is classified as a discontinued operation if it is clearly distinguishable, has a material effect on the nature and focus of the Company's activities, represents a material reduction in the Company's operating facilities and either its sale is completed, or, if a termination, its former activities have ceased permanently prior to the approval of these financial statements.

Foreign currencies

Monetary assets, liabilities, profits and losses in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date or at the contract rate. Exchange differences arising in the ordinary course of business are included in the profit and loss account.

Biwater Industries Limited

Notes to the financial statements

	Year ended 31/3/08	Year ended 31/3/07 Restated
	Discontinued Operations £000	Discontinued Operations £000
1 Operating profit/(loss)		
Operating profit/(loss) is stated after charging/crediting:		
Other external charges	3	(117)
Exchange differences	16	74
Operating profit/(loss)	19	(43)

There are no employees in the company (2007: Nil).

The auditors' remuneration for the year was borne by Biwater Plc, the ultimate parent company.

The emoluments of Mr D F W White and Mr D L Magor were paid by the ultimate parent company which made no recharge to the company. Accordingly, the above details include no emoluments in respect of Mr D F W White and Mr D L Magor. Mr D L Magor and Mr D F W White are directors of the ultimate parent company and a number of fellow subsidiaries and their total emoluments are included in the aggregate of directors' emoluments disclosed in the 2008 financial statements of the ultimate parent company.

2 Taxation		Restated
The tax assessed for the year is lower than (2007: higher than) the standard rate of corporation tax in the UK (30%). The differences are explained below:-		
Profit/(loss) on ordinary activities before tax	19	(43)
Standard rate of corporation tax in UK 30% (2007: 30%)	(6)	13
Effects of:		
Accelerated capital allowances and other timing differences	6	13
Adjustment in respect of previous year	-	(1)
	-	(1)

Factors that may affect future tax charges:

The standard rate of corporation tax in the UK changed to 28% with effect from 1 April 2008. No deferred tax asset has been recognised, the amount unprovided at 31 March 2008 is £13,915 (2007: £20,541).

3 Debtors: amounts falling due within one year		Restated
Amounts owed by group undertakings	-	-
Other debtors	2	2
Group relief receivable	14	14
	16	16

Amounts owed by group undertakings of £47k (2007: £47k) are stated net of a provision of £47k (2007: £47k).

Biwater Industries Limited

Notes to the financial statements continued

	31/3/08 £000	31/3/07 £000
4 Creditors: amounts falling due within one year		
Other creditors	2	2

5 Creditors: amounts falling due after more than one year		
Amounts owed to group undertakings	4,102	4,121

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

6 Called up share capital		
Authorised		
4,036,000 Ordinary shares of £1 each	4,036	4,036
Allotted and fully paid		
1,036,000 Ordinary shares of £1 each	1,036	1,036

7 Combined statement of movements in shareholders' funds and statement of movements on reserves

	Share capital £000	Profit and loss account £000	Total 2008 £000	Total 2007 £000
Balance at 1 April as previously stated	1,036	(5,062)	(4,026)	(4,016)
Prior year adjustments – see accounting policies – provision for inter company balances	-	(47)	(47)	(47)
- restated tax	-	(34)	(34)	-
Balance at 1 April as restated	1,036	(5,143)	(4,107)	(4,063)
Profit/(loss) for the financial year	-	19	19	(44)
Balance at 31 March	1,036	(5,124)	(4,088)	(4,107)

8 Capital commitments

There are no capital commitments (2007: £Nil)

9 Related party transactions

Advantage has been taken of the exemption given in FRS 8 – Related Party Disclosures to wholly owned subsidiaries, not to provide details of transactions and balances with other group members of the Biwater Plc group. The ultimate parent is Biwater Plc whose accounts are publicly available.

Biwater Industries Limited

Notes to the financial statements continued

10 Cash flow statement

The company is exempt from producing a cash flow statement under FRS 1 (revised 1996) – Cash Flow Statements being a wholly owned subsidiary of Biwater Plc, whose accounts, which are publicly available, include a consolidated cash flow statement.

11 Ultimate parent undertaking

Biwater Industries Limited is wholly owned by Biwater Plc which is registered in England and Wales. Biwater Plc is the only company that consolidates the results of Biwater Industries Limited and is the ultimate parent undertaking. Copies of its consolidated accounts can be obtained from the Company Secretary, Biwater Plc, Biwater House, Station Approach, Dorking, Surrey, RH4 1TZ. The ultimate controlling party of Biwater Plc is Mr. A E White.