

# **Biwater Industries Limited**

## **Directors' Report and Financial Statements Year ended 31 March 2010**

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COMPANIES HOUSE

Registration number 3107022

## Company Information

### Board of Directors

D L Magor BSc (Hons) FCMA  
M R A Duffy FCA

### Company Secretary

M R A Duffy FCA

### Auditors

BDO LLP

### Principal bankers

HSBC Bank Plc

### Registered office

Biwater House  
Station Approach  
Dorking  
Surrey  
RH4 1TZ

Telephone +44 (0) 1306 740740

Facsimile +44 (0) 1306 885233

Internet [www.Biwater.com](http://www.Biwater.com)

### Registered in England and Wales

Company 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 2010

### **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 loss transferred from reserves of £30,192 (2009 loss £43,487) The profit and loss account is shown on page 6

The directors do not recommend the payment of a dividend (2009 £Nil)

### **Directors**

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

M R A Duffy  
D L Magor

Mr D M R A Duffy and Mr D L Magor are directors of Biwater Holdings Limited, the ultimate parent undertaking Mr M R A Duffy and Mr P M Wainwright were appointed to the board on 25 March 2009 Mr D F W White resigned from the board on 6 April 2009 and Mr P M Wainwright resigned from the board on 28 September 2009

The ultimate parent undertaking maintains a directors' and officers' insurance policy as permitted by the Companies Act 2006

### **Independent auditors**

The auditors, BDO 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

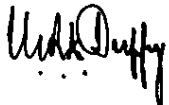
# **Biwater Industries Limited**

## **Report of the directors continued**

### **Small companies' exemption**

The report has been prepared in accordance with the special provisions of the Companies Act 2006 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

14 October 2010

# **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 group and company 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 group and company and of the profit or loss of the group 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,
- 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.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **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 418 of the Companies Act 2006) 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 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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, 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 group's and the parent 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 31 March 2010 and of the 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.

## **Opinion on other matters 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.

## Independent auditors' report to the members of Biwater Industries Limited continued

### 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 prepare the financial statements and the directors' report in accordance with the small companies' regime



Kevin Cook (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
Epsom  
United Kingdom

14 October 2010

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

# Biwater Industries Limited

## Profit and loss account Year ended 31 March 2010

	Note	Year ended 31/3/10 £000	Year ended 31/3/09 £000
<b>Operating loss</b>			
Discontinued operations	1	(43)	(44)
<b>Loss on ordinary activities before taxation</b>		<b>(43)</b>	<b>(44)</b>
Taxation	2	13	-
<b>Loss for the financial year</b>	<b>7</b>	<b>(30)</b>	<b>(44)</b>

There were no recognised gains or losses other than the loss for the financial period

The notes on pages 10 to 13 form part of these accounts



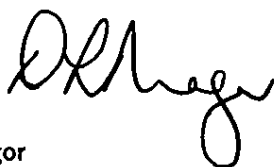
# Biwater Industries Limited

## Balance sheet As at 31 March 2010

		31/3/10		31/3/09	
	Note	£000	£000	£000	£000
<b>Current assets</b>					
Debtors	3	27		16	
Creditors: amounts falling due within one year	4	-		(2)	
<b>Net current assets</b>			<u>27</u>		<u>14</u>
Creditors : amounts falling due after more than one year	5		<u>(4,189)</u>		<u>(4,146)</u>
<b>Net liabilities</b>			<u>(4,162)</u>		<u>(4,132)</u>
<b>Capital and reserves</b>					
Called up share capital	6	1,036		1,036	
Profit and loss account	7	<u>(5,198)</u>		<u>(5,168)</u>	
<b>Total shareholders' deficit</b>	7		<u>(4,162)</u>		<u>(4,132)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

Approved by the board on 14 October 2010 and signed on its behalf by



D L Magor  
Director

Company registration number 3107022

The notes on pages 10 to 13 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 2006 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

#### **Going concern**

The company is a subsidiary undertaking of a group headed by Biwater Holdings Limited (the "Group") In determining the appropriate basis of preparation of these financial statements, the directors are required to consider whether the Group can continue in operational existence for the foreseeable future

The Group is reliant on continued support from HSBC, its principal banker HSBC provides certain Group companies access to secured on demand facilities and in connection with these facilities HSBC has taken security over the assets of a number of Group companies

The directors have prepared detailed cash flow projections to March 2013 that indicate the Group will be able to remain within the current level of facilities available to it for the foreseeable future as at the date of approval of these financial statements

The directors have obtained written assurances from HSBC that it is their current intention to continue providing the current level of facilities However, without a formal commitment, there can be no guarantee as to the continued availability of the current facilities

The nature of the international contracting business means there is always the possibility that the timing and quantum of material receipts and payments under long term contracts that Group companies have entered into could alter unexpectedly However, having reviewed the cash flow projections and key assumptions as well as assessing the position of the bank, the Directors do not regard there to be any material uncertainties that cast significant doubt on the Group's ability to continue as a going concern as at the date of these financial statements The Directors, therefore, have a reasonable expectation that the Group will be able to meet its liabilities, as they fall due, for the foreseeable future It is on this assessment that the Directors consider it appropriate to prepare the Group's financial statements 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

#### **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 31/3/10 Discontinued Operations £000	Year ended 31/3/09 Discontinued Operations £000
<b>1 Operating loss</b>		
Operating loss is stated after charging		
Other external charges	5	2
Exchange differences	(48)	(46)
<b>Operating loss</b>	<b>(43)</b>	<b>(44)</b>

There are no employees in the company (2009 Nil)

The auditors' remuneration for the year was borne by Biwater Holdings Limited, the ultimate parent company

The emoluments of Mr M R A Duffy, Mr D L Magor, Mr P M Wainwright and Mr D F W White were paid by the ultimate parent company which made no recharge to the company. Accordingly, the above details include no emoluments in respect of the foregoing. Mr M R A Duffy, Mr D L Magor, Mr P M Wainwright 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 2010 financial statements of the ultimate parent company.

	Year ended 31/3/10 Discontinued Operations £000	Year ended 31/3/09 Discontinued Operations £000
<b>2 Taxation</b>		
The tax assessed for the year is higher than (2009 lower than) the standard rate of corporation tax in the UK (28%). The differences are explained below -		
Loss on ordinary activities before tax	(43)	(44)
Standard rate of corporation tax in UK 28% (2009 28%)	12	12
Effects of		
Accelerated capital allowances and other timing differences	(12)	(12)
Adjustments relating to previous period	13	-
	<b>13</b>	<b>-</b>

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 2010 is £25,398 (2009 £26,104).

# Biwater Industries Limited

## Notes to the financial statements continued

	31/3/10 £000	31/3/09 £000
<b>3 Debtors</b> amounts falling due within one year		
Amounts owed by group undertakings	-	-
Other debtors	-	2
Group relief receivable	27	14
	<b>27</b>	<b>16</b>

Amounts owed by group undertakings of £47k (2009 £47k) are stated net of a provision of £47k (2009 £47k)

	31/3/10 £000	31/3/09 £000
<b>4 Creditors</b> amounts falling due within one year		
Other creditors	-	2

	31/3/10 £000	31/3/09 £000
<b>5 Creditors</b> amounts falling due after more than one year		
Amounts owed to group undertakings	4,189	4,146

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

	31/3/10 £000	31/3/09 £000
<b>6 Called up share capital</b>		
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 2010 £000	Total 2009 £000
Balance at 1 April as previously stated	1,036	(5,168)	(4,132)	(4,088)
(Loss)/profit for the financial year	-	(30)	(30)	(44)
Balance at 31 March	1,036	(5,198)	(4,162)	(4,132)

## **8 Capital commitments**

There are no capital commitments (2009 £Nil)

# **Biwater Industries Limited**

## **Notes to the financial statements continued**

### **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 Holdings Limited group. The ultimate parent is Biwater Holdings Limited whose accounts are publicly available.

### **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 Holdings Limited, whose accounts, which are publicly available, include a consolidated cash flow statement.

### **11 Ultimate parent undertaking**

Biwater Industries Limited is wholly owned by Biwater Holdings Limited which is registered in England and Wales. Biwater Holdings Limited 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 Holdings Limited, Biwater House, Station Approach, Dorking, Surrey, RH4 1TZ. The ultimate controlling party of Biwater Holdings Limited is Mr A E White.