

Biwater Industries Limited

Report and financial statements

Year ended 31 March 2016

Company Number 3107022



Biwater Industries Limited

**Report and financial statements
for the year ended 31 March 2016**

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Biwater Industries Limited is registered as a Limited Company in England & Wales

Company Number 3107022

Board of Directors

Sir Adrian White CBE, DL, C Sci, D Univ, FCIWEM
J S Lamb

Company Secretary

J S Lamb

Registered Office

Biwater House, Station Approach, Dorking, Surrey RH4 1TZ

Auditors

BDO LLP, 31 Chertsey Street, Guildford, Surrey GU1 4HD

**Strategic report
for the year ended 31 March 2016**

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.

Strategy and outlook

We are focused on collection of outstanding debtors relating to an old overseas contract as has been proved successful in previous years.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. Prime amongst these relate to debt collection.

Key performance indicators ("KPIs")

The board monitors progress of the Company's strategy using KPIs measuring past performance and to provide information for future planning. These include:

Financial: Revenue, operating results and operating cash flow – these indicate the volume of work done in the period, its profitability and the efficiency with which operating profits have been translated into cash.

Commercial: Reviews by region of debt collection against forecast outturn and cash management.

For further information on KPIs of the wider group, please refer to the annual report of Biwater Holdings Limited, the ultimate parent undertaking.

Future developments

The Company will continue to run-out its remaining debtors.

On behalf of the board



Sir Adrian White
Director

1 March 2017

Directors' report for the year ended 31 March 2016

The Directors submit their report and the financial statements for the year ended 31 March 2016.

Revenue and operating profit

The Company reports turnover for the period of £Nil (year ended 31 March 2015: £Nil) and a profit before taxation of £22,913 (year ended 31 March 2015: profit of £59,584).

A profit has been transferred to reserves of £18,918 (year ended 31 March 2015: profit of £56,882).

Trading performance

During the year the company continued to run-out its debtors and creditors.

Dividends

The directors do not recommend the payment of a dividend (2015: £Nil).

Directors

The directors who served throughout the year and up to the date of signing the financial statements were Sir Adrian White and Mr J S Lamb.

Going concern

In determining the appropriate basis of preparation of these financial statements, the directors are required to consider whether the Company can continue in operational existence for the foreseeable future.

Based on the latest trading expectations and associated cash flow forecasts of the group headed by Biwater Holdings Limited (the "Biwater Group"), the directors have considered the cash requirements of the Company and believe that the Company will be able to meet its liabilities as they fall due for at least the next twelve months following approval of these financial statements. As such the financial statements have been prepared on a going concern basis with appropriate support being available from Biwater Group if required.

Directors' indemnities

The Company maintains liability insurance for its directors and officers. Following shareholder approval in July 2005, the Company has also provided an indemnity for its directors and secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

Independent auditors

The auditors, BDO LLP, have indicated their willingness to continue in office.

Statement of directors' responsibilities in respect of the report and the financial statements

The directors are responsible for preparing the strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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.

Directors' report
for the year ended 31 March 2016 (continued)

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.

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.

Approved by the Board and signed on its behalf by



Sir Adrian White
Director

1 March 2017

Independent auditor's report for the year ended 31 March 2016

Independent auditor's report to the members of Biwater Industries Limited

We have audited the financial statements of Biwater Industries Limited for the year ended 31 March 2016 which comprise the profit and loss account and statement of comprehensive income, the balance sheet, the statement of changes in equity 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) including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

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 2016 and of the 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report
for the year ended 31 March 2016 (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, 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.

BDO LLP

Kevin Cook (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Guildford, United Kingdom
Date *6 March 2017*

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

**Profit and loss account and statement of comprehensive income
for the year ended 31 March 2016**

		Year Ended 31 March 2016	Year Ended 31 March 2015
	Note	Total £	Total £
Revenue		-	-
Other external (credits)/charges		(2,937)	46,717
Exchange differences		19,976	12,867
		<hr/>	<hr/>
Profit from operations		22,913	59,584
		<hr/>	<hr/>
Profit on ordinary activities before taxation		22,913	59,584
Taxation on ordinary activities	5	(3,995)	(2,702)
		<hr/>	<hr/>
Profit for the financial year and total comprehensive income		18,918	56,882
		<hr/>	<hr/>

The notes on pages 10 to 14 form part of these financial statements.

**Balance sheet
at 31 March 2016**

	Note	31 March 2016 £	31 March 2015 £
Current assets			
Debtors due within one year	6	2,793	2,793
Cash at bank and in hand		-	772
		<u>2,793</u>	<u>3,565</u>
Creditors: amounts falling due within one year	7	(3,969,495)	(3,989,185)
		<u>(3,966,702)</u>	<u>(3,985,620)</u>
Net current liabilities		(3,966,702)	(3,985,620)
Total assets less current liabilities		(3,966,702)	(3,985,620)
		<u>(3,966,702)</u>	<u>(3,985,620)</u>
Net liabilities		(3,966,702)	(3,985,620)
		<u>(3,966,702)</u>	<u>(3,985,620)</u>

The notes on pages 10 to 14 form part of these financial statements.

Balance Sheet
at 31 March 2016

	Note	31 March 2016 £	31 March 2015 £
Capital and reserves			
Share capital	8	1,036,199	1,036,199
Retained loss		(5,002,901)	(5,021,819)
		<hr/>	<hr/>
Shareholders' liabilities		(3,966,702)	(3,985,620)
		<hr/>	<hr/>

These financial statements were approved and authorised for issue by the Board of Directors on 1 March 2017 and were signed on its behalf by:



Sir Adrian White
Director

1 March 2017

The notes on pages 10 to 14 form part of these financial statements.

**Statement of changes in equity
for the year ended 31 March 2016**

	Share capital £	Retained loss £	Total £
At 1 April 2015	1,036,199	(5,021,819)	(3,985,620)
Comprehensive income for the year:			
Profit for the financial year	-	18,918	18,918
	<u>1,036,199</u>	<u>(5,002,901)</u>	<u>(3,966,702)</u>
At 31 March 2016			

	Share capital £	Retained loss £	Total £
At 1 April 2014	1,036,199	(5,078,701)	(4,042,502)
Comprehensive income for the year:			
Profit for the financial	-	56,882	56,882
	<u>1,036,199</u>	<u>(5,021,819)</u>	<u>(3,985,620)</u>
At 31 March 2015			

The notes on pages 10 to 14 form part of these financial statements.

**Notes forming part of the financial statements
for the year ended 31 March 2016**

1 Accounting policies

Biwater Industries Limited is a company incorporated in England under The Companies Act. The address of the registered office is given on the contents page and the nature of the Company's operations and its principle activities are set out in the Strategic report.

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 100 *Application of Financial Reporting Requirements* and Financial Reporting Standard 101 *Reduced Disclosure Framework*. The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements have been prepared on a historical cost and going concern basis as described in the directors' report and as referred to in note 2. The presentation currency used is sterling and amounts have been presented in pounds (£'s).

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- certain comparative information as otherwise required by EU endorsed IFRS;
- certain disclosures regarding the company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the group headed by Biwater Holdings Limited.

The financial statements contain information about Biwater Industries Limited.

Judgements and key areas of estimation uncertainty

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires the Company's directors to exercise judgment in applying the Company's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 2.

First time application of FRS100 and FRS101

In the current year the Company has adopted FRS100 and FRS101. In previous years the financial statements were prepared in accordance with applicable UK accounting standards.

This change in the basis in preparation has not materially altered the recognition and measurement requirements previously applied in accordance with former UK GAAP. Consequently the principal accounting policies and amounts presented in the primary statements are unchanged from the prior year. There have been no material amendments to the disclosure requirements previously applied in accordance with UK GAAP.

Foreign currency

Transactions entered into by the Company in a currency other than the currency of the primary economic environment in which it operates (the 'functional currency') are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

Notes forming part of the financial statements (continued)
For the year ended 31 March 2016

1 Accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets

The Company's financial assets comprise:

- Trade debtors

Trade debtors do not carry interest and are stated at face value as reduced by appropriate allowances for estimated recoverable amounts.

Financial liabilities

The Company's financial liabilities comprise:

- Amounts owed to group undertakings

Amounts owed to group undertakings are payable on demand.

2 Critical accounting estimates and judgements

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amount of the assets and liabilities within the next financial year is discussed below. In terms of the going concern the Company has reviewed its cash requirements and in conjunction with the Biwater Group cash position it is considered that the company has sufficient funds available to it for at least 12 months from the date of signing the financial statements.

Notes forming part of the financial statements (continued)
For the year ended 31 March 2016

3 Operating expenses

Fees paid to the Company's auditor, BDO LLP in respect of audit services, for the year and the prior year were borne by Biwater Holdings Limited, the ultimate parent undertaking.

4 Employees and directors' remuneration

No directors received emoluments during the year (2015: £Nil). There were no staff during the year (2015: Nil).

5 Tax expense

	Year ended 31 March 2016 £	Year ended 31 March 2015 £
Current tax expense		
UK corporation tax on profits for the year	(3,995)	(2,702)
	<u> </u>	<u> </u>
Total current tax and total tax	(3,995)	(2,702)
	<u> </u>	<u> </u>

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profits for the year are as follows:

	Year ended 31 March 2016 £	Year ended 31 March 2015 £
Profit on ordinary activities before tax	22,913	59,584
Tax using the Company's domestic tax rate of 20% (2015 – 21%)	(4,583)	(12,513)
Effects of: Other timing differences	588	9,811
	<u> </u>	<u> </u>
Total tax charge	(3,995)	(2,702)
	<u> </u>	<u> </u>

Changes in tax rates and factors affecting the future tax charge

No deferred tax asset has been recognised. The amount unprovided at 31 March 2016 is £2,092 (31 March 2015: £2,680).

Notes forming part of the financial statements (continued)
For the year ended 31 March 2016

6 Debtors

	2016	2015
	£	£
Due within one year:		
Amounts owed by group undertakings	2,793	2,793
	<u>2,793</u>	<u>2,793</u>

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

7 Creditors

	2016	2015
	£	£
Due within one year:		
Amounts owed to group undertakings	3,949,407	3,973,092
Other creditors	2,793	2,793
Group Relief	17,295	13,300
	<u>3,969,495</u>	<u>3,989,185</u>

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

8 Share capital

Authorised, issued and fully paid

	2016 Number	2016 £	2015 Number	2015 £000
Ordinary shares of £1 each	<u>1,036,199</u>	<u>1,036,199</u>	<u>1,036,199</u>	<u>1,036,199</u>

9 Reserves

The following describes the nature and purpose of each reserve within equity:

Reserves	Description and purpose
<i>Share capital</i>	Nominal value of share capital subscribed for.
<i>Retained loss</i>	All net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

10 Related party transactions

Advantage has been taken of the exemption given in FRS 101 paragraph 8(j) to wholly owned subsidiaries, not to provide details of transactions and balances with other members of the Biwater Holdings Limited group.

Notes forming part of the financial statements (*continued*)
For the year ended 31 March 2016

11 Controlling interests

The Company is wholly owned by Biwater Holdings Limited, which is registered in England & Wales. Biwater Holdings Limited is the only company that consolidates the results of Biwater Construction 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 the Group is Sir Adrian White.