

Biwater Overseas Limited

Report and financial statements

Year ended 31 March 2017

Company Number 2617474

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Biwater Overseas Limited

Report and financial statements
for the year ended 31 March 2017

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

Company Number 2617474

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 2017

Principal activities

The principal activity of the Company is to hold investments in overseas trading companies of the Biwater Group.

Strategy and outlook

The company continues to hold its investment in Biwater BV, itself the holding company for overseas trading companies and the directors anticipate no change in this activity in the coming year.

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 economic security and foreign currency. Strategies are in place to mitigate these uncertainties and include a range of internal review procedures which enable contract terms to be appropriately scrutinised to reduce manageable risk.

Contract performance in the overseas trading companies is closely monitored and the contract control system allows systematic and regular reviews to be undertaken which highlight contractual, financial and operational risks and opportunities. Bonds and guarantees are both issued and received in respect of both payment and performance, underwritten for political risk where appropriate. The Company seeks to mitigate currency risk by ensuring that procurement of supplies and the underlying revenue are in the same currency.

The Company is also subject to interest rate risk as it is affected by any movement in rates of interest generally.

Future developments

The Company expects to continue to hold its investment in Biwater BV.

On behalf of the board



J. S. Lamb
Director

6 November 2017

Directors' report for the year ended 31 March 2017

The directors submit their report and the financial statements for the year ended 31 March 2017.

Revenue, operating costs and operating profit

The Company reports turnover for the period of £Nil (year ended 31 March 2016: £Nil) and a loss before taxation of £684,391 (year ended 31 March 2016: loss of £826,823).

A loss has been transferred to reserves of £849,756 (year ended 31 March 2016: loss of £661,458).

Trading performance

During the year the company continued to hold its investment in Biwater B.V.

Dividends

The directors do not recommend the payment of a dividend (2016: £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.

Financial risk management objectives and policies

These are set out above in the Strategic report.

Independent auditors

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

Directors' report
for the year ended 31 March 2017 (continued)

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

The directors are responsible for preparing the strategic report, 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 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.

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



J S Lamb
Director

6 November 2017

**Independent auditor's report
for the year ended 31 March 2017**

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

We have audited the financial statements of Biwater Overseas Limited for the year ended 31 March 2017 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 2017 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 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 2017 (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 6/11/17

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 2017**

		Year Ended 31 March 2017	Year Ended 31 March 2016
	Note	Total £	Total £
Revenue		-	-
Exchange differences		(564,936)	(637,628)
(Loss)/profit from operations		(564,936)	(637,628)
Dividend received from subsidiary undertaking		-	-
Interest payable and similar charges		(119,455)	(189,195)
(Loss)/profit on ordinary activities before taxation		(684,391)	(826,823)
Taxation on ordinary activities	5	(165,365)	165,365
(Loss)/profit for the financial year and total comprehensive (loss)/income		(849,756)	(661,458)

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

**Balance sheet
at 31 March 2017**

	Note	31 March 2017 £	31 March 2016 £
Fixed assets			
Investments in subsidiaries	6	22,241,000	22,241,000
Current assets			
Creditors: amounts falling due within one year	7	(22,946,258)	(22,097,102)
Net current liabilities		(22,946,258)	(22,097,102)
Total assets less current liabilities		(705,858)	143,898
Net assets		(705,858)	143,898

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

**Balance Sheet
at 31 March 2017**

	Note	31 March 2017 £	31 March 2016 £
Capital and reserves			
Share capital	8	740	740
Share premium		9,260	9,260
Retained earnings		(715,858)	133,898
		<hr/>	<hr/>
Shareholders' funds		(705,858)	143,898
		<hr/>	<hr/>

These financial statements were approved and authorised for issue by the Board of Directors on 6 November 2017 and were signed on its behalf by:


J S Lamb
Director

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

**Statement of changes in equity
for the year ended 31 March 2017**

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 April 2016	740	9,260	133,898	143,898
Comprehensive income for the year:				
Loss for the financial year	-	-	(849,756)	(849,756)
At 31 March 2017	740	9,260	(715,858)	(705,858)
	Share capital £	Share premium £	Retained earnings £	Total £
At 1 April 2015	740	9,260	795,356	805,356
Comprehensive income for the year:				
Loss for the financial year	-	-	(661,458)	(661,458)
At 31 March 2016	740	9,260	133,898	143,898

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 2017**

1 Accounting policies

Biwater Overseas 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 Overseas 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.

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 into sterling at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised in profit or loss.

Notes forming part of the financial statements (*continued*)
For the year ended 31 March 2017

1 Accounting policies (*continued*)

Financial instruments

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

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 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.

The valuation of the investment in Biwater B.V. is considered to be an accounting estimate and judgement which is reviewed on an annual basis for any indicators of impairment.

Notes forming part of the financial statements (continued)
For the year ended 31 March 2017

3 Operating expenses

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

4 Employees and directors' remuneration

No directors received emoluments during the year (2016: £Nil). There were no staff during the year (2016: Nil).

5 Tax (expense)/credit

	Year ended 31 March 2017 £	Year ended 31 March 2016 £
Current tax (expense)/credit		
UK corporation tax on losses for the year	(165,365)	165,365
Total current tax and total tax	(165,365)	165,365

The reasons for the difference between the actual tax credit 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 2017 £	Year ended 31 March 2016 £
Losses on ordinary activities before tax	(684,391)	(826,823)
Tax using the Company's domestic tax rate of 19% (2016 – 20%)	130,034	165,365
Effects of:		
Adjustments in respect of previous period	(165,365)	-
Unutilised tax losses	(130,034)	-
Total tax (expense)/credit	(165,365)	165,365

Changes in tax rates and factors affecting the future tax charge

No deferred tax asset has been recognised. The amount unprovided at 31 March 2017 is £Nil (31 March 2016: £Nil).

Notes forming part of the financial statements (continued)
For the year ended 31 March 2017

6 Investment in subsidiary

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Investment consists of shares in group undertakings as follows:

Cost and carrying amount
At 31 March 2016 and 31 March 2017
22,241,000

At 31 March 2017 the direct subsidiary of the Company was:-

Name	Country of incorporation and principal place of business	Proportion of ownership interest at 31 March	
		2017	2016
Biwater B.V.	The Netherlands	100%	100%

7 Creditors

Due within one year:

	2017 £	2016 £
Amounts owed to group undertakings	22,735,865	22,051,474
Group Relief payable	210,993	45,628
	22,946,858	22,097,102

Amounts owed to group undertakings are unsecured, repayable on demand and subject to 2% interest.

8 Share capital
Authorised, issued and fully paid

	2017 Number	2017 £	2016 Number	2016 £
Ordinary shares of £1 each	740	740	740	740

9 Reserves

The nature and purpose of each reserve within equity is as follows:

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

Notes forming part of the financial statements (continued)
For the year ended 31 March 2017

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.

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.