

Biwater Overseas Limited

Report and financial statements

Year ended 30 September 2021

Company Number 02617474



Biwater Overseas Limited

Report and financial statements for the year ended 30 September 2021

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

Company Number 02617474

Board of Directors

Sir Adrian White CBE, DL, C Sci, D Univ, FCIWEM
J S Lamb (resigned 28 February 2023)

Company Secretary

J S Lamb LLB (resigned 28 February 2023)
J J Jones (appointed 1 March 2023)

Registered Office

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

Auditors

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

Directors' report for the year ended 30 September 2021

The directors submit their report and the financial statements for the year ended 30 September 2021.

Change of accounting reference date

In the previous financial year, the Company changed its accounting reference date to 30 September and accordingly the prior year comparatives in these statements are for the 18 month period from 1 April 2019 to 30 September 2020.

Revenue, operating costs and operating profit

The Company reports turnover for the year of £Nil (18 months ended 30 September 2020: £Nil) and a profit before taxation of £355,123 (18 months ended 30 September 2020: loss of £629,588).

A profit has been transferred to reserves of £355,123 (18 months ended 30 September 2020: loss of £629,588).

Trading performance

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

Going concern

These accounts have been prepared on a going concern basis, however as explained further in note 1, at this point in time, there are a number of material uncertainties which may cast significant doubt over the Group's and Company's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business.

Dividends

The directors do not recommend the payment of a dividend (2020: £Nil).

Directors

The director who served throughout the financial period and up to the date of signing the financial statements was Sir Adrian White. Mr J S Lamb resigned on 28 February 2023.

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' report and the financial statements in accordance with applicable law and regulations.

Directors' report
for the year ended 30 September 2021 (continued)

Company law requires the directors to prepare financial statements for each financial period. 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 102 The Financial Reporting Standard applicable in the UK and the Republic of Ireland Section 1A. 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.

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

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.

In preparing this directors' report, advantage has been taken of the small companies' exemption.

Approved by the Board and signed on its behalf by



Sir Adrian White
Director

01 November 2023

**Independent auditor's report
for the year ended 30 September 2021**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIWATER OVERSEAS LIMITED

Disclaimer of opinion on the financial statements

We were engaged to audit the financial statements of Biwater Overseas Limited ("the Company") for the year ended 30 September 2021, 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 to the financial statements including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

We do not express an opinion on the accompanying financial statements of the Company. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

As set out in note 1 to the financial statements which indicates the directors' consideration over going concern, there are a number of material uncertainties that may cast significant doubt on the group's and therefore the company's ability to continue as a going concern. These material uncertainties include completion of a capital raise that is sufficient to enable customer financing to close, obtaining final in country and financing approvals including IMF approval of the non-concessional lending limit in Ghana, and obtaining further funding in the event any of the above or the timing of contract receipts are delayed from that forecast, as disclosed in note 1 to the financial statements. Based on the multiple material uncertainties, their nature, and significance to the financial statements we were unable to obtain sufficient appropriate evidence that the financial statements should be prepared on a going concern basis.

We concluded that the impact of our inability to obtain sufficient appropriate audit evidence relating to the matter set out above could be both material and pervasive to the financial statements.

Other Companies Act 2006 reporting

Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have been unable to form an opinion, whether based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Notwithstanding our disclaimer of opinion on the financial statements, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit performed subject to the pervasive limitation described above, we have not identified material misstatements in the Directors' report.

Arising from the limitation of our work referred to above we have not obtained all the information and explanations that we considered necessary for the purposes of our audit.

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

**Independent auditor's report
for the year ended 30 September 2021 (continued)**

- 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.

Responsibilities of Directors

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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the company's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matter described in the basis for disclaimer of opinion section, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Based on our understanding of the Company and the industry in which it operates, discussion with management and those charged with governance, obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations, we considered the significant laws and regulations to be the UK adopted international accounting standards, tax legislation and the Companies Act 2006.
- We have gained an understanding as to how the Company is complying with those legal and regulatory frameworks through enquiries of management and those charged with governance responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes.
- The relevant laws and regulations identified, in addition to fraud risks and how and where this may occur were communicated to the audit engagement team who remained alert to any indications of fraud or non-compliance with laws and regulation throughout the audit.
- We assessed the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur by discussing with management where it is considered there was a susceptibility of fraud relating to management estimates and journal entries. In addressing the risk of fraud we reviewed managements estimates for indications of bias, and tested a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation.


Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not

**Independent auditor's report
for the year ended 30 September 2021 (continued)**

detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. In addition, the extent to which the audit was capable of detecting irregularities, including fraud was limited by the matter described in the basis for disclaimer of opinion section of our report.

Use of our report

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's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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James Fearon (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Gatwick, UK
Date: 01 November 2023

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 30 September 2021**

	Year ended 30 September 2021	18 months ended 30 September 2020
	£	£
Note		
Revenue	-	-
Exchange differences	468,898	(456,788)
	<u> </u>	<u> </u>
Profit/(loss) from operations	468,898	(456,788)
Interest payable and similar charges	(113,775)	(172,800)
	<u> </u>	<u> </u>
Profit/(loss) on ordinary activities before taxation	355,123	(629,588)
Taxation on ordinary activities	5 -	-
	<u> </u>	<u> </u>
Profit/(loss) for the financial year and total comprehensive profit/(loss)	355,123	(629,588)
	<u> </u>	<u> </u>

The notes on pages 9 to 14 form part of these financial statements.

Balance sheet
at 30 September 2021

	Note	30 September 2021 £	30 September 2020 £
Fixed assets			
Investments in subsidiaries	6	22,241,000	22,241,000
Current assets			
Creditors: amounts falling due within one year	7	(23,491,416)	(23,846,539)
Net current liabilities		(23,491,416)	(23,846,539)
Total assets less current liabilities		(1,250,416)	(1,605,539)
Net liabilities		(1,250,416)	(1,605,539)
Capital and reserves			
Share capital	8	740	740
Share premium		9,260	9,260
Retained losses		(1,260,416)	(1,615,539)
Shareholders' (deficit)		(1,250,416)	(1,605,539)

The financial statements are prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved and authorised for issue by the Board of Directors on 01 November 2023 and were signed on its behalf by:



Sir Adrian White
Director

The notes on pages 9 to 14 form part of these financial statements.

**Statement of changes in equity
for the year ended 30 September 2021**

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 October 2020	740	9,260	(1,615,539)	(1,605,539)
Comprehensive income for the year:				
Profit for the financial year	-	-	355,123	355,123
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30 September 2021	740	9,260	(1,260,416)	(1,250,416)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Share capital £	Share premium £	Retained earnings £	Total £
At 1 April 2019	740	9,260	(985,951)	(975,951)
Comprehensive income for the year:				
Loss for the financial period	-	-	(629,588)	(629,588)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30 September 2020	740	9,260	(1,615,539)	(1,605,539)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The notes on pages 9 to 14 form part of these financial statements.

Notes forming part of the financial statements for the year ended 30 September 2021

1 Accounting policies

Biwater Overseas Limited is a Company incorporated in England under The Companies Act 2006. 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 under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and the Republic of Ireland* ('FRS 102') and the Companies Act 2006.

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions available under FRS 102. Therefore, these financial statements do not include:

- certain disclosures regarding the Company's capital;
- a statement of cash flows;
- 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 as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption conferred by s400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in the consolidated accounts of a larger group as set out in note 11.

Judgements and key areas of estimation uncertainty

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the Company's directors to exercise judgement in applying the Company's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 2.

Going concern

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

The Directors have prepared forecasts for the Group headed by Biwater Holdings Limited for a period of greater than 12 months and subject to the completion of a successful capital raise and the other matters noted below are confident that the Group, and therefore the Company, will be able to continue in operation and 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.

The Directors recognise that inherent within international contracting are uncertainties around the timing and receipt of significant contract sums. The Directors have forecast future expected receipts in respect of a number of signed international long-term contracts over the forecast period of 12 months from the date of signing these financial statements using their considerable experience of the industry; although the timing of the customer's funding for these signed contracts and therefore the timing of receiving related contracted amounts is uncertain.

Notes forming part of the financial statements (continued)
for the year ended 30 September 2021

1 Accounting policies (continued)

At September 2023, the construction phase of two such large contracts in Ghana and Cameroon are at the later stages of the funding being completed, which is expected to give rise to initial payments of over \$79m. Included as part of the conditions precedent for these contracts is the completion of the capital raise as considered below and obtaining in-country and financing approvals. As part of this, the contract in Ghana was delayed in December 2022 due to the country having to seek further support from the IMF, which will have to include a non-concessional lending limit for the country to return to its existing projects.

Covid-19 has certainly had a dramatic effect across the world and whilst the Group has been able to achieve new contract awards throughout this period, it has also further delayed large construction activity on certain contracts. However, as the world returns to normal, the Group is seeing an increase in demand for our services across all international territories, and a growing pipeline of opportunities to deliver.

This has given rise to capital raise interest for new permanent capital into Biwater Holdings, incorporating some existing debt conversation to equity, which will both strengthen the balance sheet and help facilitate the growth expectations. Signed extended Heads of Terms have been agreed with one consortium, although the closing of this transaction was delayed due to the issue of a winding up petition in July 2023 by the Trustees of the Group's closed defined benefit pension scheme. The Trustees have subsequently agreed to withdraw the petition and have requested the court to do so.

In respect of the loan notes, the Group is in breach of the related covenants, however the holders have provided confirmation that it is not their current intention to demand immediate repayment of the amounts due and that they are supportive of the capital raise process. If the capital raise is further delayed the Group will need to consider further funding options to meet any further short-term requirements and the Group has the continued support of its main debt holder to achieve this.

The Board and the main shareholder are confident that in light of progress to date on its major contracts, the continued support of its main debt provider and the capital raise process that it will remain able to meet short term cash requirements and the events described above will be successfully concluded. However, the directors recognise this is not guaranteed. In view of the above, at this point in time there are number of material uncertainties which may cast significant doubt over the Group's and the Company's, as it is linked to the going concern of the Group, ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business. These material uncertainties include the completion of a capital raise sufficient to enable customer financing to close, obtaining final in country and financing approvals including IMF approval of the non-concessional lending limit in Ghana, and obtaining further funding in the event any of the above or the timing of contract receipts are delayed from that forecast. The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

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 30 September 2021

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.

Investments

Investments are stated at cost less amounts written off in respect of any impairment in value.

Impairment of fixed assets and investments

Non-current assets are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

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.

The most critical estimate and judgement relates to the determination of the carrying value of the Company's investment in its subsidiary, Biwater B.V. The directors consider whether there are any indicators of impairment based on the underlying net assets, profitability and future prospects of the entity and its direct subsidiaries. Where it is concluded there are indicators of impairment, the Company performs impairment tests based on fair value less costs to sell. The fair value less cost to sell calculation is based on a value in use model, which requires the estimation of future cash flows and discount rates.

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.

Notes forming part of the financial statements (continued)
for the year ended 30 September 2021

4 Employees and directors' remuneration

No directors received emoluments during the period (2020: £Nil). There were no staff during the period (2020: Nil).

5 Tax credit

	Year ended 30 September 2021 £	18 months ended 30 September 2020 £
Current tax credit		
UK corporation tax on (losses)/profits for the period	-	-
	<u> </u>	<u> </u>
Total current tax and total tax	-	-
	<u> </u>	<u> </u>

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 period are as follows:

	Year ended 30 September 2020 £	18 months ended 30 September 2020 £
Profit/(loss) on ordinary activities before tax	355,123	(629,588)
Tax using the Company's domestic tax rate of 19% (2020 – 19%)	67,473	(119,622)
Effects of: (Utilised)/unutilised tax losses	(67,473)	119,622
	<u> </u>	<u> </u>
Total tax credit	-	-
	<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 30 September 2021 is £390,597 (30 September 2020: £458,070).

Notes forming part of the financial statements (continued)
for the year ended 30 September 2021

6 Investment in subsidiary

£

Investment consists of shares in group undertakings as follows:

Cost and carrying amount**At 30 September 2020 and 30 September 2021****22,241,000**

At 30 September 2021 and 30 September 2020, the direct 100% owned subsidiary of the Company was Biwater B.V., which was incorporated and had its principal place of business in the Netherlands.

7 Creditors

30 September 2021 30 September 2020
2021 2020

Due within one year: £ £

Amounts owed to group undertakings **23,491,416 23,846,539**

23,491,416 23,846,539

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

8 Share capital**Authorised, issued and fully paid**

	2021 Number	2021 £	2020 Number	2020 £
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
<i>Share capital</i>	Nominal value of share capital subscribed for.
<i>Retained earnings</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 102 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 30 September 2021**

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.