

Biwater Overseas Limited

Report and financial statements

18 months ended 30 September 2020

Company Number 02617474



Biwater Overseas Limited
Report and financial statements
for the 18 months ended 30 September 2020

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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

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 18 months ended 30 September 2020**

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 B.V., itself the holding company for overseas trading companies and the directors anticipate no change in this activity in the coming year.

The Group now has existing and future contract work of £1.3 billion from signed contracts which, pending financial close, will dramatically affect the financial results of the Group in the future and increase its capabilities and presence across its core territories.

The Covid-19 pandemic in 2020 has impacted the global economy, although with Biwater's customer base being largely public sector, with client Governments' Ministries of Finance supporting the larger, vital, externally-financed water infrastructure projects we undertake, in what is expected to be a continuing low interest rate environment, Biwater can look forward with confidence to undiminished demand for its services. Further information is included in the 'Going concern' section of note 1 to the financial statements which highlights a material uncertainty relating to the potential requirement for further funding.

The impact from Brexit on the Company is a positive one, given the UK Government's increased focus on international trade and the nature of our export-driven business model, which is at the moment, delivering specialist water and wastewater treatment services wholly outside Europe.

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 B.V.

On behalf of the board



Sir Adrian White
Director

20 January 2022

Directors' report
for the 18 months ended 30 September 2020

The directors submit their report and the financial statements for the 18 month period ended 30 September 2020.

Change of accounting reference date

The Company has changed its accounting reference date to 30 September and accordingly presents accounts 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 18 month period of £Nil (year ended 31 March 2019: £Nil) and a loss before taxation of £629,588 (year ended 31 March 2019: profit of £69,301).

A loss has been transferred to reserves of £629,588 (year ended 31 March 2019: profit of £69,301).

Trading performance

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

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.

The Directors have prepared forecasts for the Group headed by Biwater Holdings Limited for a period of 12 months and subject to the completion of a successful capital raise as detailed 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. At January 2022, the construction phase of one such large contract is at the later stages of the client obtaining funding, which would give rise to an initial payment of \$39.6m for which one of the conditions precedent is the completion of the capital raise as considered below. This provides additional visibility over the timing of contract receipts relating to this contract.

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 a capital raise initiative where the Group is seeking new permanent capital to both strengthen the balance sheet and help facilitate the growth expectations. Significant progress is being made and the Group are in discussions with interested investment funds to raise a minimum net £50m. The Group expects to close a new equity injection in the first quarter of 2022. In the interim period, the Group has obtained short term funding of £5.9m from a number of parties to meet short-term cash requirements and are in discussions to obtain further short-term funding of \$2m. In respect of the loan notes, subsequent to the balance sheet date there have been covenant breaches, however the holders have provided confirmation that it is not their current intention to demand immediate repayment of amounts due and that they are supportive of the capital raise process. If the capital raise is delayed the Group will look at additional funding options to meet any further short-term requirements.

Directors' report
for the 18 months ended 30 September 2020 (continued)

Going concern (continued)

The Board and the main shareholder are confident that in light of progress to date on the capital raise, and support to date in meeting short-term cash requirements that this will be successfully concluded. However, the directors recognise this is not guaranteed. In view of the above, the successful completion of a capital raise and obtaining further funds in the event the forecast timing of contract receipts is later than expected are considered to be material uncertainties, which may cast significant doubt over the Group's ability to continue as a going concern. Therefore, as the going concern of the Company is linked to the going concern of the Group, a material uncertainty exists which may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Dividends

The directors do not recommend the payment of a dividend (2019: £Nil).

Directors

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

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.

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 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.

Directors' report
for the 18 months ended 30 September 2020 (continued)

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.

Approved by the Board and signed on its behalf by



Sir Adrian White
Director

20 January 2022

**Independent auditor's report
for the 18 months ended 30 September 2020**

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

Opinion

We have audited the financial statements of Biwater Overseas Limited ("the Company") for the 18 month period ended 30 September 2020 which comprise the profit and loss account and statement of comprehensive income, the balance sheet, the statement of changes in equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2020 and of its loss for the 18 month period 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 to the financial statements which indicates the Directors' considerations over going concern of the Company and its dependency on that of the wider group in order to continue as a going concern. The going concern of the wider group is dependent on completing a fund raise. As stated in note 1, these events or conditions, along with other matters as set out in note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Strategic report and the Director's report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Independent auditor's report
for the 18 months ended 30 September 2020 (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Director's report.

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:

- 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.

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 objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

James Fearon

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James Fearon (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Guildford, United Kingdom

Date: 20 January 2022

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 18 months ended 30 September 2020

	18 months ended 30 September 2020	Year ended 31 March 2019
	£	£
Note		
Revenue	-	-
Exchange differences	(456,788)	184,455
	<u>(456,788)</u>	<u>184,455</u>
(Loss)/profit from operations	(456,788)	184,455
Interest payable and similar charges	(172,800)	(115,154)
	<u>(172,800)</u>	<u>(115,154)</u>
(Loss)/profit on ordinary activities before taxation	(629,588)	69,301
Taxation on ordinary activities	5 -	-
	<u>-</u>	<u>-</u>
(Loss)/profit for the financial year and total comprehensive (loss)/profit	(629,588)	69,301
	<u><u>(629,588)</u></u>	<u><u>69,301</u></u>

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

Balance sheet
at 30 September 2020

	Note	30 September 2020 £	31 March 2019 £
Fixed assets			
Investments in subsidiaries	6	22,241,000	22,241,000
Current assets			
Creditors: amounts falling due within one year	7	(23,846,539)	(23,216,951)
Net current liabilities		(23,846,539)	(23,216,951)
Total assets less current liabilities		(1,605,539)	(975,951)
Net liabilities		(1,605,539)	(975,951)
Capital and reserves			
Share capital	8	740	740
Share premium		9,260	9,260
Retained losses		(1,615,539)	(985,951)
Shareholders' funds		(1,605,539)	(975,951)

These financial statements were approved and authorised for issue by the Board of Directors on 20 January 2022 and were signed on its behalf by:



Sir Adrian White
Director

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

Statement of changes in equity
for the 18 months ended 30 September 2020

	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 year	-	-	(629,588)	(629,588)
At 30 September 2020	740	9,260	(1,615,539)	(1,605,539)
	Share capital £	Share premium £	Retained earnings £	Total £
At 1 April 2018	740	9,260	(1,055,252)	(1,045,252)
Comprehensive income for the year:				
Profit for the financial year	-	-	69,301	69,301
At 31 March 2019	740	9,260	(985,951)	(975,951)

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

Notes forming part of the financial statements for the 18 months ended 30 September 2020

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 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 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 statements, 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 12 months and subject to the completion of a successful capital raise as detailed 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. At January 2022, the construction phase of one such large contract is at the later stages of the client obtaining funding, which would give rise to an initial payment of \$39.6m for which one of the conditions precedent is the completion of the capital raise as considered below. This provides additional visibility over the timing of contract receipts relating to this contract.

Notes forming part of the financial statements (continued)
for the 18 months ended 30 September 2020

1 Accounting policies (continued)

Going concern (continued)

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 a capital raise initiative where the Group is seeking new permanent capital to both strengthen the balance sheet and help facilitate the growth expectations. Significant progress is being made and the Group are in discussions with interested investment funds to raise a minimum net £50m. The Group expects to close a new equity injection in the first quarter of 2022. In the interim period, the Group has obtained short term funding of £5.9m from a number of parties to meet short-term cash requirements and are in discussions to obtain further short-term funding of \$2m. In respect of the loan notes, subsequent to the balance sheet date there have been covenant breaches, however the holders have provided confirmation that it is not their current intention to demand immediate repayment of amounts due and that they are supportive of the capital raise process. If the capital raise is delayed the Group will look at additional funding options to meet any further short-term requirements.

The Board and the main shareholder are confident that in light of progress to date on the capital raise, and support to date in meeting short-term cash requirements that this will be successfully concluded. However, the directors recognise this is not guaranteed. In view of the above, the successful completion of a capital raise and obtaining further funds in the event the forecast timing of contract receipts is later than expected are considered to be material uncertainties, which may cast significant doubt over the Group's ability to continue as a going concern. Therefore, as the going concern of the Company is linked to the going concern of the Group, a material uncertainty exists which may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was 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.

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.

Notes forming part of the financial statements (continued)
for the 18 months ended 30 September 2020

1 Accounting policies (continued)

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.

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 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.

4 Employees and directors' remuneration

No directors received emoluments during the period (2019: £Nil). There were no staff during the period (2019: Nil).

Notes forming part of the financial statements (continued)
for the 18 months ended 30 September 2020

5 Tax credit

	18 months ended 30 September 2020 £	Year ended 31 March 2019 £
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:

	18 months ended 30 September 2020 £	Year ended 31 March 2019 £
(Loss)/profit on ordinary activities before tax	(629,588)	69,301
Tax using the Company's domestic tax rate of 19% (2019 – 19%)	(119,622)	13,167
Effects of: Unutilised/(utilised) tax losses	119,622	(13,167)
	<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 2020 is £458,070 (31 March 2019: £338,448).

6 Investment in subsidiary

£

Investment consists of shares in group undertakings as follows:

Cost and carrying amount

At 31 March 2019 and 30 September 2020	22,241,000
	<u> </u>

At 30 September 2020 and 30 March 2019, 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.

Notes forming part of the financial statements (continued)
for the 18 months ended 30 September 2020

7 Creditors	30 September 2020 £	31 March 2019 £
Due within one year:		
Amounts owed to group undertakings	23,846,539	23,005,958
Group relief payable	-	210,993
	<u>23,846,539</u>	<u>23,216,951</u>

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

8 Share capital	Authorised, issued and fully paid			
	2020 Number	2020 £	2019 Number	2019 £
Ordinary shares of £1 each	740	740	740	740
	<u>740</u>	<u>740</u>	<u>740</u>	<u>740</u>

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.

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.